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The Revolution's First Phase

Communists Still Hold Key Jobs in East, But the Tide Is Running Against Them

By Dan Morgan
Washington Post Service

WASHINGTON — After a year of dramatic East European shake-ups and mass demonstrations, scores of lifelong Communists are still in important government positions from East Berlin to Sofia.

Career party members hold the key posts in Romania's new provisional government; the Czechoslovak Communist reformer Alexander Dubcek was elected to head the national legislature, his country's third-highest office, and the Solidarity-led government in Poland has a Communist president.

Western analysts describe many of these surviving Communists as able men who provide expertise in a temporary power vacuum. But many of the analysts believe that even the most talented and reform-minded of this group could soon be swept aside by a political tide that will make Central Europe largely a non-Communist region.

Thus, last week's election of the playwright Vaclav Havel as the first non-Communist president of Czechoslovakia in more than four decades may be remembered not just as the concluding event of a remarkable political year but as the beginning of a new era.

"What you have is transitional," said Charles Gati, professor of political science at Union College in Schenectady, New York. "Every revolution goes through a first phase. The next phase will be the making of a new Eastern Europe. There is a deep anti-Communist current here, and I think Communists will be swept out of power."

Such a development could have implications for the Soviet Union and the rest of the Communist world, some observers suggest.

As long as Communist reformers like East Germany's Hans Modrow, Bulgaria's Petar Mladenov and Romania's Ion Iliescu remain in command in those countries, President Mikhail S. Gorbachev of the Soviet Union can make the case that Eastern Europe is following his road, adjusting communism to modern conditions while retaining its role as the key political player.

Mr. Mladenov and Mr. Iliescu, whom Mr. Gorbachev is reported to know, provide a personal connection between the Soviet leader and the tumultuous developments in Eastern Europe.

But if such party reformers are ousted or relegated to minor roles, as many now expect, the Kremlin leader could have trouble arguing in internal Soviet councils that Gorbachev-style change can be stopped short of the outright overthrow of the party and its leaders.

What political form the new Eastern Europe will take is far from clear. From the Baltic to the Black Sea, dozens of civic groups, parties, forums and coalitions are just now organizing to challenge Communist parties in elections scheduled in the first half of 1990. In Hungary, 47 parties have been registered.

Historians have to go back nearly 70 years, to the early 1920s, to find a similar period when the nations of Central Europe were free to choose their own destinies.

Germany had been weakened by World War I, and Russia by its revolution, leaving the lands between to their own political devices. A Bolshevik regime led by Bela Kun was established briefly in Hungary, and strong Communist parties emerged in Bulgaria, Czechoslovakia and Yugoslavia.

But the most serious challenge to the traditional bourgeois parties came from agrarian and peasant parties. These were strong in Bulgaria, in the Yugoslav republic of Croatia and in Poland, where they became forceful and effective advocates for populations that were predominantly agricultural.

There are still vestiges of these old agrarian movements in Poland's Rural Solidarity, and in farmer-oriented parties now forming in other countries. One of the first new Romanian parties was the National Christian Peasant Party, which advocates religious freedom and a better deal for farmers.

But the experiences of 70 years ago provide only a limited guide to today. Eastern Europe has become mainly urban and industrial, and many ob-

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NEWS ANALYSIS

Rainer Klostermann/The Associated Press

President Vaclav Havel of Czechoslovakia at the Brandenburg Gate in Berlin on Tuesday during his visit to the Germanys.

Coalition Holds Fast In Israel

Weizman Keeps Post but Leaves 'Inner Cabinet'

By Jackson Diehl
Washington Post Service

JERUSALEM — Israel's coalition government averted collapse Tuesday as Prime Minister Yitzhak Shamir compromised with former Defense Minister Ezer Weizman. Mr. Shamir had moved to dismiss Mr. Weizman from his present post as science minister after allegations that Mr. Weizman had contacts with the Palestine Liberation Organization.

Under the accord worked out between Mr. Shamir and leaders of Mr. Weizman's Labor Party, the former air force pilot will remain as science minister but withdraw for 18 months from the 12-member "inner cabinet," which makes diplomatic and security policy.

Labor had threatened to break up its coalition with Mr. Shamir's rightist Likud over Mr. Weizman's dismissal. The agreement allowed Labor to remain in the year-old government without a loss of face.

Mr. Shamir's abrupt announcement on Sunday that he was removing Mr. Weizman had implicitly challenged Labor's status as a partner rather than subordinate to Likud in the "unity government."

At the same time, Mr. Shamir's allies argued that he had succeeded in removing from the policy-making process one of the country's foremost advocates of dialogue with the PLO.

"Shamir sent a clear message that there will be no negotiations and no deal and no contacts with the PLO," said his media adviser, Avi Pazner.

Mr. Shamir denounced Mr. Weizman in vitriolic terms on national television two nights ago. But he received the veteran minister Tuesday for a brief meeting that Mr. Weizman described as "all smiles."

Mr. Weizman said that he had acknowledged no transgressions and that Mr. Shamir had refrained from presenting evidence on his activities collected by the security service. "This is a typical Middle East, Israeli compromise," Mr. Weizman, grinning, told reporters.

Underlying the sudden crisis over Mr. Weizman, a political maverick, were deep-seated differences between Labor and Likud — and between Mr. Shamir and the United States. There is sharp disagreement on the conditions under which Israel should open talks with representative Palestinians.

Labor has endorsed plans put forward by Egypt and by the U.S. secretary of state, James A. Baker 3d. Both have involved talks in Cairo between Israel and a delegation of Palestinians. And Mr. Shamir has resisted them both, contending that Israel must have guarantees that the PLO will not be involved.

During the last two months tensions between Washington and Jerusalem have steadily risen; Mr. Baker and President George Bush have pressed Mr. Shamir to go along with Mr. Baker's "five-point" plan, which nominally excludes the PLO.

U.S. officials suspect that Mr. Shamir is creating obstacles to the talks even though they are meant to advance his own plan for elections in the occupied West Bank and Gaza Strip.

Israeli officials, in turn, accuse the United States and Egypt of quietly offering the PLO an indirect role in the process and trying to force this formula on Israel.

In launching his attack on Mr. Weizman, political observers here suggested, Mr. Shamir was seeking to preempt Labor and to bolster his position in the face of a potential confrontation with Washington.

Mr. Pazner did not directly confirm this interpretation but said: "I'm sure that when this crisis is studied in Washington, they will understand the depth of determination of the prime minister that the peace process be with the Palestinians here and not with the PLO."

Labor Party leaders have already threatened on several occasions to leave the government if the talks with Palestinians and plans for elections do not move forward.

But Mr. Weizman's case offered Labor a poor issue over which to break up the government.

The party, unlike Mr. Weizman, does not support direct talks with the PLO and would have had great difficulty defending its errant minister in a campaign for a new government.

Consequently, a showdown between the two major parties over the Palestinian issue, which has been looming for months, was once again postponed.

"You can make a case that this government does not serve all the needs of all its people," said Harry Wall, the director in Israel of the Anti-Defamation League of B'nai B'rith.

"But this was not the issue and not the man and not the time for the government to collapse. From Labor's point of view it would have been suicide."

Man Released at Papal Mission

Compiled by Our Staff From Dispatches

PANAMA CITY — Vatican diplomats on Tuesday handed a man over to U.S. troops outside the mission where General Manuel Antonio Noriega sought sanctuary after being deposed more than a week ago.

The man did not appear to be General Noriega, according to reporters and photographers with telephoto lenses on the roof of a nearby hotel.

But it was the first known case in which Vatican officials appear to have handed over someone from inside the diplomatic compound to U.S. troops.

The soldiers marched the man across a nearby field to a helicopter, which then flew away.

The move came as negotiations over General Noriega's fate appeared to be heating up.

Both the Vatican and the Bush administration said Tuesday that high-ranking envoys had been sent to Panama City amid speculation that the dispute over refuge for General Noriega would be discussed.

Besides General Noriega, 17 others were believed to have taken asylum inside the Vatican mission, among them Lieutenant Colonel Nivaldo Madriñan, director of General Noriega's secret police, and Captain Eliezer Gaytan, chief of his personal security force.

It was not known how many of those people might still be in the mission.

A spokeswoman at the U.S. Embassy, Judy DeLeon, said she did not know about the person who left the mission.

Earlier Tuesday, President George Bush appointed Deane R. Hinton, a career diplomat, a Central America specialist and diplomatic troubleshooter, as ambassador to Panama, replacing Arthur Davis.

Mr. Hinton, 66, who is now the U.S. envoy to Costa Rica, previously held such sensitive diplomatic assignments as ambassador to El Salvador and Pakistan.

Mr. Davis had been recalled by Mr. Bush in protest of what the administration called the theft of the elections in May by General Noriega.

Mr. Bush sent Mr. Davis back to Panama City after the Dec. 20 intervention by U.S. forces and the installation of Guillermo Endara as president.

Mr. Bush named Mr. Hinton as a recess appointment because Congress is not in session. Mr. Hinton can serve until the end of next year before he must go before the Senate for confirmation hearings.

The chief White House spokesman, Marlin Fitzwater, said, "This

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Havel Sets Conditions For German Unity

Compiled by Our Staff From Dispatches

BONN — In his first trip abroad as president of Czechoslovakia, Vaclav Havel visited East and West Germany on Tuesday and endorsed the possibility of German unification, but stressed that "many conditions must be met."

"The first," he said, "is that emotions be kept in check on both sides of the German border.

"The second is that the process of German reunification be part of the process of European unification.

"The third is that unification take place at a time when Germany's neighbors are free of their fears of the greater Germany of the past."

In four hours in East Berlin and three hours in Munich, Mr. Havel met with leaders of both nations.

The playwright and former dissident, who took office last week as Czechoslovakia's first non-Communist president in 40 years, said he had chosen to travel first to the Germanys because the visit had a "certain symbolism."

On the future of the Germanys, Mr. Havel warned that European stability could be threatened by any move to redraw the borders resulting from World War II.

"It is conceivable that the two Germanys will be brought together in the future," he said. "But I never use the word reunification, as it brings up the idea of the 1937 borders."

Germany's prewar borders included territory now in Poland and East Germany which is still claimed by rightist German groups.

"Germany virtually surrounds us," Mr. Havel declared. For unity to take place, he said, emotions must be calmed and neighboring countries freed of fear, "specifically the fear of a Greater Germany."

"A democratic system in Germany is more important than the possibility that it might become one nation," he added, saying that if East Germany were to become democratic, Europe would not have to fear a single Germany.

But when Manfred Gerlach, East Germany's acting head of state,

See HAVEL, Page 6

Judge's Reich Remark Fuels Borders Debate

By Richard E. Smith
International Herald Tribune

FRANKFURT — A wave of controversy and political embarrassment was forming Tuesday after West Germany's chief constitutional judge said that the German Reich technically still exists and that the prewar borders must be changed with a peace treaty.

The comments by Roman Herzog, president of the West German Constitutional Court, a shrill restatement of an earlier ruling, further fueled a debate over the border between East Germany and Poland.

Opposition parties are calling on Chancellor Helmut Kohl to renounce any claim to land east of the Oder and Neisse rivers, which form the current border.

Mr. Kohl has said that Poles have no reason to worry, but that he could make definitive statements about the border because he cannot speak for East Germany.

Mr. Herzog said in a radio interview that the victorious World War II allies had not annexed or dissolved the Reich and that it would take a peace treaty or a similar instrument to officially reset the borders.

He noted that the recent proposal by the president of the Bundestag, Rita Süssmuth, for the parliaments of both East and West Germany to recognize the border would not be legally sufficient to officially define the frontier.

Although the German Reich still legally exists, Mr. Herzog said, the legal status of the borders was less clear.

He said that there was nothing in the decisions of the Constitutional Court that would mean that reunification "would necessarily take place within the German Reich of 1937."

At the same time, Mr. Herzog said that West German law barred war through aggression and played down the possibility of anyone using the current debate to successfully undermine the borders.

He emphasized that he was speaking about legal points and that he believed the debate seemed to be revolving more around politics than questions of law.

East Germany Will Tear Down the Berlin Wall

Reuters

BONN — East Germany plans to pull down the Berlin Wall, the country's acting head of state, Manfred Gerlach, declared Tuesday.

"We are dismantling it," Mr. Gerlach said in an interview with the West German newspaper Bild. "It has become superfluous. It will be replaced by ordinary border markers."

Mr. Gerlach said that a date had not been set for the wall's removal but that the East German government would discuss it soon. The exact shape of the new border markers was not reported.

Bild, which released the report ahead of publication, said it had interviewed Mr. Gerlach after he took the new Czechoslovak president, Vaclav Havel, to see the wall and the historic Brandenburg Gate on Tuesday.

Mr. Havel said he was amazed that the wall was still standing. Built in 1961, the wall symbolized the division of Germany and of Europe until East Germany opened its borders in November.

"Gerlach told me work would soon start to tear it down," Mr. Havel said. "I told him if he had any problems we could send some independent Czechoslovak workers to help free of charge," he added to loud applause.

Oil Threat to Morocco Eases as Slick Disperses

By Jonathan C. Randal
Washington Post Service

PARIS — Oil-disaster specialists on Tuesday vacuumed crude petroleum from a 260-square-kilometer spill in calm Atlantic Ocean waters as the threat of massive ecological damage to Moroccan oyster beds, prime fishing grounds and nature conservancies receded.

Moroccan naval vessels and helicopters, operating at times no more than 32 kilometers (20 miles) off the Atlantic coast, sprayed dispersal detergents to break up and sink the floating crude oil, which spilled two weeks ago when an Iranian tanker, Khark-5, exploded and drifted.

Pollution and salvage specialists played down comparisons with the Exxon Valdez disaster, which last year polluted 1,000 miles of Alaskan coast.

"It is poppycock to say this is one of the world's worst disasters," said Joe Nichols, a technical manager of the International Tanker Owners Pollution Federation in Britain, because "it is not the quantity of oil that matters, but the location of the spill and prevailing conditions."

The tanker started spewing the oil 240 kilometers from the Moroccan coast in 16-degree centigrade (60 Fahrenheit) waters and high waves, which combined to evaporate or dissolve into small particles much of the 70,000 tons of light Iranian crude spilled so far.

The official Moroccan news agency, which over the weekend called in French, British and other European specialists to help fight the "ecological catastrophe," began playing down the urgency of the crisis on Tuesday.

The agency said the specialists appeared to have "mastered the sit-

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Kiosk

2 Nuns Slain In Nicaragua

MANAGUA (AP) — Two nuns were killed and a bishop and a third nun were wounded Tuesday in an ambush in a remote region of eastern Nicaragua, the authorities said. The bishop and one of the dead nuns were American citizens.

The Nicaraguan government blamed the attack on contra rebels, but the church said it had no information about the attackers. Maureen Courtney, 40, of Milwaukee, and Teresa Rosales of Nicaragua were killed in the attack, according to church officials. Bishop Paul Schmitz, 46, of Fond du Lac, Wisconsin, suffered a gunshot wound.

Also wounded was a nun identified only as Francisca, a church official said. He added that the ambush occurred at 9 A.M. near Puerto Cabezas, 325 kilometers (200 miles) northeast of Managua.

Business/Finance

West German bond prices fell to a 5½-year low. Page 9.

Argentina announced new measures to prop up its sagging economy. Page 9.

Stage/Entertainment

A new system for TV audience ratings has the French railing about an Orwellian *grand frère*. Page 7.

Sports

Miami won the U.S. collegiate football title, with Notre Dame second. Page 15.

Crossword Page 7.

The Dollar	
In New York	
DM	1.713
Franc	5.8095
Yen	146.65
£	0.6855

Dow Close
Up 56.95
2,810.15

For the Japanese Robot (and Its Masters), Life Is Looking Up

By Fred Hiatt
Washington Post Service

OSHINO-MURA, Japan — Late at night the last engineers slip out, padding across the spotless factory floor in rubber-soled shoes and switching off the lights.

Inside, in darkness and near silence, robots continue their work. Like gawky, long-necked birds, they swoop and peck and stretch and swivel throughout the night, performing a flawless ballet for an empty house. Unwatched, unattended, the robots are reproducing.

This is Fanuc Ltd., probably the world's leading robot maker and one of Japan's most remarkable high-technology companies. In this isolated future-shock factory at the base of Mount Fuji, the stillness is broken only by robot supply carts chiming "Mary had a little lamb" to warn any humans who might stray across their magnetic tracks.

Fanuc typifies Japan's industrial surge into the future — and supplies it. The company makes the machines that fuel the country's economic miracle: a phenomenal investment in manufacturing know-how and machinery that is likely to make Japanese industry a more daunting competitor than ever for years to come.

Japan will invest three times more per capita than the United States in new factories, robots and machinery this year, according to an economist at Deutsche Bank, Kenneth S. Courtis, plowing a higher percentage of its capital back into growth than the United States, as it has every year for a quarter century.

Fanuc has positioned itself to profit from this whirlwind of investment. It makes robots and numerically controlled machine tools — the high-technology lathes, grinders and other devices that Frederik L. Schodt, the author, calls "the mother tools that prop up modern industrial society."

It is an industry essential to all others and one that the United States, according to the chairman of Sony Corp., Akio Morita, and others, is in danger of forfeiting to Japan. Many such machines wind up in the clanking, roaring factories that produce Toyotas and Hondas for export to America.

On a recent morning, Fanuc's yellow factories loomed in the woods in almost eerie quiet.

Security gates slid open and shut with only a faint grinding. Neatly groomed employees, all in yellow jackets or smocks, walked silently through the mist.

Inside the cavernous factories, glowing with yellow light, yellow robots clicked and whirred as they soldered circuit boards, inspected their work with camera eyes and handed the boards to the next robot down the line.

This is the automated kingdom of a human named Seiuemon Inaba, 64, an engineer who has run Fanuc since it was founded in 1972. Because he likes yellow, everyone wears yellow; factory walls and robots, washcloths and even the company helicopter are yellow.

Mr. Inaba has equipped all managers, including himself, with "S&S" buttons to remind them that no one is too important for "sales and service," bywords of Japanese export success. He also installed a clock, with a yellow face, that runs at 10 times normal speed. A company brochure says this is to remind employees of "the importance of ideal timing in product development."

The worker participation for which Japanese management is famous is not for Mr. Inaba. The banner mandating "Strict Order and Cleanliness" is signed simply "The President." A company video shows him attending a lecture in the company's luxurious auditorium seated alone in the front row, flanked by empty chairs, while his yellow-jacketed subordinates perch respectfully behind him.

"As long as I am president," Mr. Inaba said in a recent interview, "I am the decision maker."

The company's executive vice president, Shimpei Kato, said, "He's very particular that everything be arranged just so."

Mr. Inaba does not own Fanuc. The company began as an outgrowth of Fujitsu Ltd., the giant computer company, where Mr. Inaba worked. Fujitsu remains the largest stockholder.

But Fanuc has been so successful that Mr. Inaba can do things his way, plowing 10 percent of sales back into research and development and stocking his staff with

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Bridging the Gap In Cambodia Talks

Factions Respond 'Encouragingly' To Australian Peace Plan for Region

By Michael Richardson
International Herald Tribune

SINGAPORE — Renewed efforts to end fighting in Cambodia enter a potentially critical phase Wednesday as an Australian envoy arrives in Bangkok to start a second round of talks with participants in the conflict.

The envoy, Michael Costello, a deputy secretary in the Department of Foreign Affairs and Trade in Canberra, will continue private discussions he began last month on an Australian proposal for United Nations mediation in Cambodia.

A spokesman for the department said Tuesday that Mr. Costello's consultations with Prince Norodom Sihanouk, leader of the Cambodian resistance, and with senior officials of Vietnam, China, the Soviet Union, Indonesia, Thailand and the Vietnam-supported government in Phnom Penh were "very encouraging."

Western and Asian diplomats said China had agreed to support the Australian plan to place Cambodia under temporary UN administration, providing the four warring Cambodian groups accept it. China had initially appeared to oppose the proposal.

The diplomats said that two of the groups — the Phnom Penh government and the non-Communist resistance army headed by Prince Sihanouk — have given conditional endorsement.

But while visiting Asia last month, Mr. Costello was unable to meet leaders of the two other factions, the Khmer Rouge and the anti-Communist Khmer People's National Liberation Front.

Australian officials said Mr. Costello would meet Khieu Samphan, a Khmer Rouge leader, on Thursday or Friday, probably in Bangkok.

The Australian envoy will meet Son Sann, leader of the anti-Communist front, in Paris on Jan. 11.

Prince Sihanouk is president, Son Sann prime minister and Khieu Samphan foreign minister of the loose and often feuding resistance coalition that occupies the Cambodian UN seat.

Following the refusal of the Phnom Penh government to share power with the resistance, Australia's foreign minister, Gareth Evans, proposed in November that a UN interim administration run Cambodia pending free elections.

Mr. Evans said that under this arrangement leaders of the Phnom Penh government should step aside and the Cambodian seat in the United Nations be declared vacant.

He said recently that none of the parties Mr. Costello consulted had rejected the proposal for UN involvement in Cambodia.

Prince Sihanouk said he would disband his government-in-exile and allow the Cambodian UN seat to become vacant, provided the Phnom Penh government was dismantled at the same time.

But all that Hun Sen, prime minister of the Phnom Penh government, has said publicly so far is that the UN can organize elections in Cambodia if the vacant-seat formula is adopted.

Officials in Canberra said their plan encompassed a UN administration that would run Cambodia using the existing administrative structure but no political leaders of the Phnom Penh regime.

Mr. Evans said that although major difficulties remain, "there is enough support already evident all around the region and among the major players, including the United States and the Soviet Union, to make us think that we may indeed be on the brink of achieving some real success."

But analysts said it would be difficult to gain Khmer Rouge acceptance, since the main objective of the plan is to prevent the Khmer Rouge from having any part in the government of Cambodia.

Western countries hold the Khmer Rouge responsible for the deaths of more than a million Cambodians before Vietnamese forces overthrew Pol Pot, the Khmer Rouge leader, in 1978.

Because of this record, the Khmer Rouge is considered highly unlikely to win substantial support in democratic elections organized by the United Nations. Most analysts say its best chance of regaining power is by continuing armed struggle.

Hanoi said it withdrew the last of its troops from Cambodia in September, leaving the soldiers of the Phnom Penh government to fend for themselves against an estimated 46,000 guerrillas. More than half of these are Khmer Rouge soldiers well supplied by China.

Ezequiel Bacarro/The Associated Press

HONEYMOON STOP — Newlyweds visited a Panama City checkpoint Tuesday where troops block a route to the Vatican mission.

For Now, Panamanians Thank America

By Joanne Omang
Washington Post Service

PANAMA CITY — Opposition to the U.S. military intervention has been hard to find here, even among those most injured by it. The reasons lie in the country's history and Panamanians' legendary caution, but the silence will not last long, some critics say.

Journalists and European diplomats were skeptical at first of the apparent unanimity with which Panamanians welcomed the thousands of U.S. troops who removed General Manuel Antonio Noriega from power.

Expecting at least some cries of outrage, those looking for protest have instead seen Americans embraced, fed, thanked and applauded.

Ten thousand Panamanians signed a letter to the Organization of American States over the weekend protesting its condemnation of the U.S. action. "The only thing we didn't like was the delay in intervening," the letter said.

Opposition politicians have rushed to endorse the government of President Guillermo Endara. Thousands of former Noriega loyalists are joining the new security forces and crowding government job centers.

Soldiers and civilians wounded by U.S. gunfire say they hope the government will hire them when they have recovered. Many prisoners of war say they are confident they will be cleared of Noriega sympathies.

Even relatives of those who died in the fire in the Chorillo slum said they had grieved but had rejoiced as well at General Noriega's downfall. The district was largely destroyed when U.S. troops attacked the headquarters of the National Defense Forces.

"Tell President Bush we are grateful from the bottom of the Panamanian soul," said a woman whose husband died in the fire, which destroyed their apartment building.

"Yes, but she thinks money will now rain from the sky and the gringos will build her a palace to live in," said a resident. "That isn't going to happen. She'll sound different a month from now."

He and others agreed: Panamanians, long soaked in U.S. culture, have a weak sense of nationalism, a history of intimate U.S. relations and a propensity for caution.

All this means that when the Americans return to their bases and Panamanians firmly control their own government, critics of the invasion will feel more free to speak out.

"This is a police state," said a man who fought with the Sandinistas before they took power in Nicaragua. "There aren't any civil rights. Who's going to tell an army of occupation they don't like Endara? It's asking for big trouble."

Rumors circulate of several thousand dead in unmarked mass graves, but few relatives visit hospitals or churches for news of missing loved ones. Human rights groups say they have received no complaints against U.S. soldiers.

The political left, always fragmented, seems to have vanished.

U.S. troops raided the headquarters of the Revolutionary Democratic Party, the largest of the coalition of left-leaning and liberal parties that ran the government under General Noriega and his predecessor, General Omar Torrijos. The Americans reportedly confiscated thousands of documents.

Hundreds of doctors and other former holders of middle-class jobs under General Noriega have been dismissed by the government because of their affiliation with the Revolutionary Democratic Party, according to the former guerrilla fighter. But no voice has been raised in protest.

A priest proud of his church's long liberal history noted that Panama, carved from Colombia by U.S. interests eager to build the canal, is a nation of immigrants drawn to the region since 1903 by American money and jobs.

"Our sense of being Panamanian is not very deep," he said. "Our families all intermarried with the gringos, the rich ones all went to university in the States. We studied European finance."

Panamanians eat American food, watch U.S. cable and network television programs and buy its products with U.S. currency.

"We're half American anyway," he said.

Despite Civilian Reign, Panama Wrestles With Army Ghosts

By Larry Rohter
New York Times Service

PANAMA CITY — The newly appointed military commander of the southern province of Los Santos was just sworn in after promising loyalty to President Guillermo Endara, and the dignitaries assembled for the event last week were in a festive mood.

But when Major César Dominguez arose to speak, the celebration of the restoration of civilian rule in Panama was suddenly cut short.

"This is all very well and good," the major said, according to a Panamanian government official who attended the ceremony. "But when the gringos leave, I will remain behind, and then we'll see what happens."

As a silence fell over the crowd, a representative of Panama's new civilian government consulted with the local U.S. military commander. Within minutes, Major Dominguez was summarily stripped of his post, arrested, turned over to U.S. troops and replaced by a more cooperative officer, Captain Gustavo Quintero.

On one level, the Dec. 27 incident indicates that after 21 years of military rule, the principle of civilian supremacy reigns in Panama at last. But the incident also illustrates the resistance the new government encounters as it tries to forge a security force out of the military personnel it inherited from General Manuel Antonio Noriega.

The head of the Panamanian Committee on Human Rights, Osvaldo Velásquez, explained, "Here there was an invasion by a foreign power that destroyed the armed forces, so the new government has to work with the least bad, with those who have sinned least."

According to the government, virtually all of the approximately 900 officers in the 15,000-man Panamanian Defense Forces have committed transgressions, such as corruption or abuse of power, and the worst offenders will soon face criminal charges.

But the Endara government and its U.S. military and civilian advisers argue that to form an entirely new defense force would take years and require the extended presence of the U.S. forces as guarantors of public security.

"As far as I am concerned, I would like to have started completely from scratch," a cabinet member said Monday.

As the realization that there will be no sweeping purge of the Defense Forces grows, so does popular resentment of the government's conciliatory approach in creating a Panamanian Public Force.

Around the capital, cars are now circulating with bumper stickers that demand, "Police yes, army no," referring to a proposal to limit the new Public Force to constabulary duties and strip it of all military functions, as is the case in Costa Rica.

Government officials say that even the Endara cabinet and its allies are divided on the question.

The first vice president, Ricardo Arias Calderón, said Dec. 27 that the former Defense Forces could not "be simply and purely erased," but had to be "redirected."

But many of Mr. Calderón's formal political associates have criticized this approach, arguing that the force should be abolished altogether.

Public concern with the leadership of the new Public Force begins at the top, with Colonel Roberto Armijo, the commander in chief.

Mr. Calderón, who also serves as minister of justice and government, said that Colonel Armijo was selected on the basis of seniority and that the seniority principle would prevail.

In recent years, Colonel Armijo held personnel and naval posts, which officials of the new government and human-rights leaders said meant that his participation in drug-smuggling, money-laundering, gambling, prostitution and protection rackets was minimal.

But a decade ago, then-Major Armijo was in charge of the troops assigned to violently quell peaceful protests against the former head of the National Guard, General Omar Torrijos, after he granted refuge in Panama to the shah of Iran.

Mr. Calderón has also said that the government intends to require all military officers to retire after 25 years of service. If the retirement requirement is observed, Colonel Armijo will be forced to step down later this year.

Colonel Armijo "is only a transitional figure," Mr. Calderón said Monday.

The probable successor of Colonel Armijo is his deputy, Colonel Eduardo Herrera Hassan.

But many Panamanians find Colonel Herrera Hassan unpalatable because of his role as commander of the troops that shot, gassed, beat and tortured civilian protesters during a wave of demonstrations against General Noriega in the summer of 1987.

Panamanian political and human-rights leaders say the careers of other top officials in the new force are no less clouded by incidents of abuse.

But a senior U.S. Embassy official said that "given the existence of just an immense amount of armaments in the country, about 100,000," the Public Force must temporarily retain some of its military characteristics.

It is also not yet clear that all of General Noriega's paramilitary forces have been completely immobilized and civilian control of all provincial areas firmly established, U.S. authorities in Panama said.

But in the long term, that attitude may change. With the perception of a Soviet or an international threat to the Panama Canal now diminishing, the United States appears less concerned about assuring the security of the canal when Panama takes over complete control in 10 years.

"There's been a good deal of talk about this, but it's not clear how much force is needed to defend the canal," the senior U.S. Embassy official said. "The most important force, in my view, to defend the canal is forest rangers and park police to assure the flow of the watershed."

PANAMA: *Diplomats at Vatican Mission Hand Over Man to U.S. Troops*

(Continued from page 1)

was a good time to put in a new ambassador to work with the new regime."

Mr. Hinton's appointment is seen as a signal of the importance Mr. Bush places on restoring normal relations with Panama. Those ties deteriorated after the United States indicted General Noriega on drug trafficking charges.

Mr. Hinton has been ambassador to Costa Rica since 1987. He was ambassador to Pakistan from 1983 to 1987, and ambassador to El Salvador from 1981 to 1983.

In another development, the U.S. deputy secretary of state, Lawrence S. Eagleburger, flew to Panama City on Tuesday to discuss U.S. aid for the government.

There was also speculation in Panama City and Washington that he would meet with a Vatican envoy on the fate of General Noriega.

The Vatican said that a Latin American specialist, Cardinal Giacinto Berloco, had arrived at the papal mission in Panama City to "give a hand" to the papal nuncio in the negotiations. General Noriega took refuge in the mission on Dec. 24.

On Monday, a Panamanian became the senior administrator of the Panama Canal for the first time in its 75-year history. The move was taken under 1977 treaties that require the post of acting administrator be filled by a Panamanian citizen after Jan. 1, 1990.

The deputy administrator of the Panama Canal Commission for 10 years, Fernando Manfredo, became the acting administrator, a commission spokesman said.

Mr. Manfredo, 62, was named the acting administrator because the United States rejected the candidate proposed by the Noriega government to head the canal administration. The Noriega regime had opposed Mr. Manfredo.

Mr. Endara said Monday that he would give careful thought to the nomination, which must be approved by Mr. Bush and the Senate. The U.S. Congress is in recess until Jan. 20, giving Mr. Endara at least three weeks to decide.

Also on Monday, the first elements of the U.S. intervention force withdrew.

Two artillery batteries from Fort Ord, California — a total of 141 soldiers — were pulled out, according to Mr. Fitzwater.

(AP, UPI, WP)

SPILL: *Oil Threat Eases*

(Continued from page 1)

uanon' and that the nearest spillage had moved back from 19 to 30 kilometers from the coast.

But Environment Minister Brice Lalonde of France, who was in Morocco, said that if the wind pushed the slick, "it could reach the coast in two or three days."

Long-range weather forecasts in Morocco mentioned possible storms, which could drive the nearest slicks onto the shore.

At immediate risk are the oyster beds at Oualidyia and fishing grounds near the main Moroccan canning center in Safi. British specialists laid boom cables to protect the oyster beds and vacuumed the floating oil into separators, the agency said.

Breeding grounds for pink flamingos and ducks are at risk as are about 100,000 jobs in fisheries and related industries, according to Moroccan officials.

WORLD BRIEFS

Bush to Submit Budget a Week Late

WASHINGTON (AP) — President George Bush will submit his budget for fiscal 1991 to Congress a week late, congressional and administration sources said Tuesday.

The budget will be followed by his first State of the Union address, tentatively scheduled for Tuesday, Jan. 30, the officials said. Dates for both the budget and the address were expected to be announced later this week. Originally, the budget was to have been submitted by Jan. 22.

The measure will call for $1.23 trillion in spending for the fiscal year that begins Oct. 1, the sources said.

Seoul Dismisses Call to Open Borders

SEOUL (AFP) — South Korea on Tuesday dismissed a North Korean proposal for talks to open borders and knock down a wall between the two Koreas to ensure free travel, calling the offer a propaganda move aimed at averting pressure for political change.

A spokesman for the National Unification Board said, "The so-called 'proposal' was only intended to avert domestic and international pressures for reforms and to tighten control on North Koreans." President Kim Il Sung of North Korea proposed in his New Year's message that North and South Korea hold "top-level" talks to dismantle the "concrete wall" dividing the two Koreas.

"First of all, no 'concrete wall' exists on the south side" of the demilitarized zone, the spokesman said. Observers in Seoul said that Mr. Kim might be referring to anti-tank barricades along parts of the demilitarized zone, but well to its south.

5 Die in Shiite Fighting in Lebanon

BEIRUT (AP) — Rival Shiite Muslim militias using tanks, rocket-propelled grenades and 106mm recoilless rifles battled Tuesday in southern Lebanon, and the police said five persons were killed and 12 were wounded.

The fighting raged among the bluffs of the village of Kfar Hatta, southeast of Sidon, a police spokesman said. The spokesman said the hills were essential for the Iranian-backed Hezbollah, or Party of God, to ensure supplies to its southern bases from the eastern Bekaa valley. Kfar Hatta is just below the mountainous routes controlled by Israeli troops and the Israeli-backed South Lebanon Army militia.

The new casualties raised the toll to 64 killed and 228 wounded since the current round of fighting erupted in late mid-December between Hezbollah and the pro-Syrian Amal militia. Efforts by Iran and the Palestine Liberation Organization to curb the fighting have failed.

Albania Won't Change, Leader Vows

LONDON (AP) — President Ramiz Alia of Albania vowed in a New Year's message to his nation that Albania would resist the upheaval that toppled Communist regimes throughout Eastern Europe in 1989.

"The events that have occurred recently in Eastern Europe have inspired certain known anti-Albanian forces to resume the campaign of slanders against our country," Mr. Alia was quoted as saying by the official ATA news agency in a dispatch monitored in London. Albania is the last remaining hard-line Communist state in Europe.

"But, as our people say, they cannot succeed in doing us harm," he was quoted as saying in the address Monday. Mr. Alia appeared to be responding to a call by the self-proclaimed king of Albania, Prince Leka, for Albanians to overthrow the government. The prince, son of King Zog, who reigned from 1925 to 1939, urged an end to the "tyrannical and atheist regime" in a message Sunday from South Africa, where he lives.

West Germans Open Terrorist Inquiry

FRANKFURT (UPI) — The authorities said Tuesday that they were investigating claims that the former East German government trained Communists to commit terrorist attacks in West Germany.

A spokesman for the state prosecutor's office in Frankfurt said an unidentified former member of the "secret army" surrendered to the West German authorities last week and provided documents supporting the claims about the group, made up of West German Communists.

In a detailed report this week, the West German news magazine Der Spiegel said the hard-line government of Erich Honecker had created the paramilitary group in the mid-1970s to commit acts of terrorism and sabotage "when the class struggle increases." The magazine said the squad was trained at a camp in East Germany, about 30 kilometers (about 20 miles) southeast of Berlin, where they were taught to handle explosives and automatic weapons.

Convicted U.S. Lawmaker Will Quit

NEW YORK (UPI) — Representative Robert Garcia, the New York Democrat convicted last year of extortion and conspiracy in the Wedtech Corp. scandal, announced Tuesday that he was resigning Sunday from the congressional seat he held for more than 10 years.

The House Ethics Committee had been conducting a preliminary inquiry of Mr. Garcia. But Mr. Garcia's resignation ends that inquiry.

Mr. Garcia and his wife, Jane Lee, were convicted Oct. 20 of conspiracy and extortion for their part in the Wedtech scandal. Both face up to 45 years in prison and $750,000 in fines when they are sentenced Jan. 19 in U.S. District Court in Manhattan. The couple was found guilty of taking tens of thousands of dollars in illegal payments, loans and jewelry from the defunct Wedtech Corp., a small South Bronx machine shop that became a major government and defense contractor.

Salvador Air Force Chief Reassigned

SAN SALVADOR (WP) — General Juan Rafaël Bustillo, the head of the Salvadoran air force and leader of the military's far-right sector, is being reassigned as part of a broad restructuring of the armed forces, military and political analysts said Tuesday.

General Bustillo has commanded the air force since 1979 and was supported by Roberto d'Aubuisson and others on the far right in an unsuccessful attempt to become defense minister last year. He will serve as military attaché in Israel, according to a Defense Ministry press bulletin.

TRAVEL UPDATE

Greek tourists may now take the equivalent of 1,000 European currency units ($1,200) when vacationing in other European Community countries. This is an increase from 840 ECUs ($1,000) and effective immediately, Bank of Greece officials said Tuesday. Greeks may charge the equivalent of only $300 a year overseas on credit cards. Greeks traveling overseas on business may take as much as $2,000. *(Reuters)*

Mounted police will arrest nude sunbathers on the beaches of Goa as part of an effort to halt "nudism and drug peddling on Goa beaches frequented by hippies and anti-social elements," the United News of India reported Tuesday. There was no explanation why police on horses might succeed where their comrades on foot and in motor vehicles have failed in the former Portuguese enclave. *(AP)*

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	1	34	0	32	sn
Athens	14	57	8	46	r
Barcelona	14	57	4	39	sh
Belgrade	0	32	-1	30	sn
Berlin	0	32	-1	30	sn
Brussels	1	34	0	32	sn
Budapest	0	32	-1	30	sn
Casablanca	20	68	11	52	r
Costa Del Sol	15	59	8	46	r
Dublin	8	46	4	39	r
Edinburgh	6	43	2	36	r
Faro	17	63	11	52	r
Florence	7	45	2	36	r
Frankfurt	2	36	0	32	sn
Geneva	5	41	0	32	sn
Helsinki	-1	30	-3	27	sn
Las Palmas	23	73	17	63	s
Lisbon	15	59	8	46	r
London	8	46	4	39	r
Luxembourg	1	34	0	32	sn
Madrid	9	48	1	34	sn
Milan	4	39	0	32	sn
Moscow	-1	30	-5	23	sn
Munich	1	34	-1	30	sn
Nice	13	55	7	45	r
Oslo	1	34	-1	30	sn
Paris	3	37	0	32	sn
Prague	0	32	-2	28	sn
Reykjavik	3	37	0	32	sn
Rome	11	52	4	39	r
Stockholm	1	34	-1	30	sn
Strasbourg	4	39	0	32	sn
Venice	5	41	0	32	sn
Vienna	1	34	-1	30	sn
Warsaw	0	32	-2	28	sn
Zurich	2	36	0	32	sn

MIDDLE EAST

Ankara	—	—	—	—	—
Cairo	22	72	14	57	fd
Istanbul	7	45	1	34	sn
Jerusalem	13	55	4	39	fd
Tel Aviv	23	73	16	61	fd

OCEANIA

Auckland	—	—	—	—	—
Sydney	23	73	17	63	fd

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	25	77	sh
Beijing	1	34	-9	16	sn
Hong Kong	17	63	14	57	c
Manila	30	86	23	73	sh
New Delhi	19	66	7	45	fr
Seoul	-1	30	-9	16	sn
Shanghai	9	48	4	39	r
Singapore	30	86	23	73	t
Tehran	17	63	15	59	sh
Tokyo	9	48	7	45	r

AFRICA

Algiers	17	63	12	52	sh
Cape Town	24	75	17	63	s
Casablanca	19	66	11	52	r
Harare	28	82	19	66	t
Lagos	33	91	25	77	t
Nairobi	26	79	12	54	t
Tunis	14	57	10	50	r

LATIN AMERICA

Buenos Aires	26	79	17	63	t
Lima	24	75	19	66	t
Mexico City	16	61	10	50	t
Rio de Janeiro	29	84	21	70	t

NORTH AMERICA

Anchorage	-19	-2	-30	-22	sn
Atlanta	12	54	1	34	r
Boston	6	43	1	34	r
Chicago	5	41	1	34	sn
Denver	5	41	-5	23	sn
Detroit	4	39	-2	28	sn
Honolulu	29	84	22	72	t
Houston	17	63	10	50	r
Los Angeles	19	66	11	52	r
Miami	26	79	16	61	t
Minneapolis	1	34	-11	12	sn
Montreal	1	34	-4	25	sn
Nassau	28	82	19	66	t
New York	8	46	2	36	r
Phoenix	18	64	8	46	t
San Francisco	15	59	9	48	r
Seattle	8	46	3	37	r
Toronto	1	34	-4	25	sn
Washington	9	48	2	36	r

cl-cloudy, fo-foggy, fr-fair, h-hail, o-overcast, pc-partly cloudy, r-rain, sh-showers, sn-snow, st-storms

WEDNESDAY'S FORECAST — CHANNEL: Slightly choppy. **FRANKFURT:** Fair. Temp. 3 — 2 (37 — 36). **GENEVA:** Fair. Temp. 7 — 3 (45 — 37). **HELSINKI:** Fair. Temp. 1 — -4 (34 — 25). **LISBON:** Overcast. Temp. 17 — 9 (63 — 48). **LONDON:** Overcast. Temp. 9 — 2 (48 — 36). **MADRID:** Overcast. Temp. 9 — -4 (48 — 25). **PARIS:** Partly cloudy. Temp. 6 — 2 (43 — 36). **ROME:** Fair. Temp. 12 — 2 (54 — 36). **TEL AVIV:** Not Available. **ZURICH:** Fair. Temp. 6 — -1 (43 — 30). **BANGKOK:** Partly cloudy. Temp. 32 — 24 (90 — 75). **BEIJING:** Fair. Temp. 2 — -9 (36 — 16). **HONG KONG:** Cloudy. Temp. 17 — 13 (63 — 55). **MANILA:** Fair. Temp. 31 — 23 (88 — 73). **SEOUL:** Fair. Temp. 6 — -7 (43 — 19). **SINGAPORE:** Fair. Temp. 31 — 25 (88 — 81). **TOKYO:** Cloudy. Temp. 7 — 2 (45 — 36).

Dining Out

BOUGIVAL

CAESAR CAFE
Tex-Mex Restaurant set in a Jonchere Chateau. Average price: FF 150 TTC. American cocktail bar from 6 p.m. Valet parking. 10, Côte d. l. Jonchère. T. res. 39 16 57 03.

NEUILLY

JARRASSE
"L'Ecailler" of Paris. Oyster, Shellfish. Grilled soup with Fennel. Grand Marnier Millefeuilles Soufflé. Private Rooms. 4, av. de Madrid. 92200 Neuilly, Seine. Tel.: 46 24 07 56 & 46 37 16 52.

NICE

LE POT D'ETAIN
Refined cuisine, fine French spec., menus at 115 & 145 FF., à la carte - about 250 FF. Closed Wed. 12, rue Meyerbeer. Tel. 93 88 25 95.

L'UNIVERS
In the centre of town in a florid decor traditional French cooking. Menus at the best possible prices. 54, Bld. Jean Jaures. Tel. res. 93 62 32 22.

PARIS 2nd

KITTY O'SHEA'S PUB
Sister of the famous Dublin Pub located 50 yards from Pl. Vendôme. The French home of Irish Coffee and excellent draught beers. Jazz & Irish music. Open 7 days. 10 R. Capucines. T.: 40 15 08 08.

JOHN JAMESON
The first Irish Restaurant in Paris, recommended by major guides. Business lunch FF 95 and à la carte. Sunday brunch. Closed Monday. 10 rue Capucines. 40 15 00 30.

L'ANGE GOURMAND
Turn of the century setting. Cooking which is both classical & inventive make this an address worth noting. Menu at FF 109. A la carte 160-200 FF. Open 7 days a week till 1 a.m. 31 Quai de la Tournelle. Tel.: 43 54 11 31.

PARIS 5th

JEAN MARIE JORDAN
Formerly Raffaini at Honfleur is well liked by the American gastronomic press. Traditional cuisine. Local French dishes. Open daily. Near Ile St. Louis. 16 Bld Saint Germain. Tel.: 43 54 22 21.

PARIS 6th

YUGARAJ
Wish you a happy new year.
Indian specialties. Close Monday.
14, rue Dauphine. Tel.: 42.26.44.91.

PARIS 7th

THOUMIEUX
Specialties of the South-West. Confit de canard à. cassoulet au confit de canard. Open everyday. 79 r. St.-Dominique. Tel.: (1) 47 05 49 75. Near Invalides Terminal.

PARIS 7th

CHEZ LES ANGES
In the Michelin Guide. Burgundy Spec. Gastronomical cooking. Cl. on Sun. eve. 54, Bld. Latour-Maubourg. Tel.: 47 05 89 86.

LE GALANT VERRE
Traditional cooking - Waterzoi - salmon with raspberries - Clientèle from the world of politics - Driver - Open on Saturday evenings and mornings. Closed on Sundays. 12, rue de Verneuil. Tel.: 42 60 64 56.

PARIS 8th

KOK PING
On the Champs-Elysées, gastronomical Chinese and Thai cuisine. Closed for lunch Saturdays and Sundays.
4, rue Balzac. Tel.: 42 25 28 85.

MARSHAL'S The taste of California
Happy hour, brunch Saturday and Sunday, jazz live with Flora & Nico, Buvink from 7:30 p.m. to 9:30 p.m. 63 Avenue Franklin Roosevelt. Tel.: 45 63 21 22.

PARIS 15th

LE TOIT DE PARIS
Every Thursday evening, the fisherman's night: a sumptuous buffet on the 10th floor of the hotel featuring an incomparable view of the Eiffel Tower. Paris Hilton, 18 avenue de Suffren. Tel.: 42.73.92.00.

PARIS 17th

CHEZ FRED
Bistrot Lyonnais, traditional French cooking, specials of the day. 190 bis Boulevard Pereire. Reservation: 45 74 20 48.

L'HUITRIER
Oysters and shellfish eat in or take out. From 11 a.m. to 3 p.m. and from 5 p.m. to 11 p.m. 16, rue Scausse-Leroy, Rte.. 40 54 83 44.

ROME

DA MEO PATACCA
Trastevere. Rest. famous for fish food, music & folklore. 00153 Rome, Piazza de Mercanti 30. Tel.: 06-5816198, 5892193. Fax: 582552.

VIENNA

KERVANSARAY
Turkish & Int'l specialties, lobster bar, best seafood restaurant, 1st floor. Mahlerstr. 9. Tel.: 5128843. Air conditioned. 80 m. Opens. Noon-3 p.m. & 6 p.m.-1 a.m., except Sunday. Open holidays.

ZAGREB

KORDIC
Best seafood restaurant. Family tradition from 1881. High class. Closed on Sundays. Kaptol 27. Tel.: 041/423-425.

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Friend vs

By Alan Cowe
New York Times Ser

BUCHAREST — When Dem
economist, met an old classma
Street here in the days before th
Nicolae Ceausescu, the two me
the conversation Mr. Pavaloiae
would like to leave the countr
The economist did not realize
boss as a friend and as a popu
hometown was also known to the
the security police as Minstre
supposed to disguise the identi
banker. Minstrel, the economist
other day, had denounced him
When Mr. Pavaloiae joined o
lution that overturned Mr. Ceaus
he was assigned to the storming
headquarters in the city of Foc
kilometers (100 miles) northeast
said this week.
The force, the Securitate, was
and brutal of those surroundin
the Ceausescu leadership to it
And there in the headquarte
Mr. Pavaloiae located the file
police had kept on him, includi
Minstrel to a security officer i
intelligence safe house code-n

Romanians Jail Entire Politburo

Compiled by Our Staff From Dispatches

BUCHAREST — The enti
Communist Party Politburo, t
executive body that ruled Roman
before the overthrow of Nicol
Ceausescu, has been jailed, the ne
leadership announced Tuesday.
"The Politburo members are
a detention," a Foreign Minist
spokesman, Constantin Girbe
said at a news conference.
"I estimate there are about 60"
prison. Mr. Girbea said, "all cl
colleagues of Ceausescu."
Without specifying what charg
the detained leaders faced,
promised that judgment would a
follow for "all members of
Ceausescu family."
"All evildoers from the old
guise will be brought to justice,"
spokesman declared.
He said that the Defense Min
ry would announce details of
punishments to be meted out la
The new Romanian leadership
abolished the death penalty.
According to official figures,
Politburo included just over 40
and candidate, or nonvoting, m
bers. Among them were
Ceausescu and his wife, Elena,
country's second most powe
figure, who were executed Dec
for genocide and abuse of pow
The Ceausescus' youngest
Nicu, and their only daugh
Zoia, were both captured in
early days of the two-week Ro
anian uprising, which claimed th
sands of lives.
About 40 Ceausescu relatives
thought to have occupied ran
government posts before the r
lution. Mr. Ceausescu was on
nine children, all of whom had
ilies.
The new interim presiden
Romania, Ion Iliescu, and P
Minister Petre Roman met T
days with a French delegation le
Laurent Fabius, president of
National Assembly, the Roma
news agency Rompres reporte
The agency, formerly know
Agerpres, was renamed Tue
becoming the latest in a seri
media organizations that
changed their names to dis
themselves from Mr. Ceause
24-year despotic rule.
Bucharest was quiet Tuesda
for three days of New Year's f
ties. There were no reports of
re fire or clashes between the
and members of Mr. Ceaus
lated security police force, th
Securitate, which was officiall
banded Monday.
But hundreds of secret
agents were still believed a
and at large.
The final number of
killed in the uprising that to
Mr. Ceausescu was still u
Tuesday. Government off
have revised their estimate
death toll down to 7,000.
A spokesman for the In
tional Committee of the Red
in Geneva concurred that
estimates of up to 60,000 dea
"far too high."
Western diplomats in Buch
iting witness accounts and
own assessment, believe that
10,000 people were killed
uprising.
Echoes of the Romanian
tion continued to resound T
from other centers.
In Athens, a newspaper re
that the security chief of the
nian Embassy in the Greek
was shot and killed by th
after Mr. Ceausescu's overth
The allegation in the new
Eleftherotypia was imme
denounced as "fantasy" by
manian ambassador to Gree
Colae Ecobescu, who was on
first envoys publicly to de
Mr. Ceausescu after his over
The Greek governmen
nounced that it had begun
cial investigation into the
The newspaper said that
ternate station chief was ki
a dramatic confrontation"
embassy staff, which had
with the new provisional
ment in Romania. It did no
the security chief.
In Bern, Swiss police sa
der was suspected in the de
39-year-old Romanian who
was found Tuesday in a hot
A police spokesman, Ste
spar, said several people h
investigators that the de
was linked with the Securi
said evidence indicated
man, whose name was not
had been murdered. *(Reu*

Friend vs. Friend: Documents Reveal Romanian Secret Police Tactics

By Alan Cowell
New York Times Service

BUCHAREST — When Doru Pavaloiae, an economist, met an old classmate on Lipscani Street here in the days before the overthrow of Nicolae Ceausescu, the two men talked, and in the conversation Mr. Pavaloiae let slip that he would like to leave the country.

The economist did not realize that the man he knew as a friend and as a popular singer in his hometown was also known to the regime's pervasive security police as Minstrel, a code name supposed to disguise the identity of a paid informer. Minstrel, the economist discovered the other day, had denounced him.

When Mr. Pavaloiae joined others in the revolution that overturned Mr. Ceausescu on Dec. 22, he was assigned to the storming of security police headquarters in the city of Focsani, about 160 kilometers (100 miles) northeast of Bucharest, he said this week.

The force, the Securitate, was the most feared and brutal of those surrounding and protecting the Ceausescu leadership to its last.

And there in the headquarters, in a bunker, Mr. Pavaloiae located the file that the secret police had kept on him, including the report by Minstrel to a security officer in July 1977 at an intelligence safe house code-named Rosa.

It documented much about his life, including the supposed sexual activity of his first wife before their marriage, and was part of 12 years of covert surveillance, mail interceptions and telephone taps designed to determine his loyalties, his plans and the identity of those who shared his desire to leave Romania illegally.

Copies of parts of the file were brought to Bucharest and made available to reporters Monday by friends of Mr. Pavaloiae. The 48-year-old economist said in a telephone interview that his motive in publicizing his case was partly to unmask those, like Minstrel, who are seeking to cover their tracks now that the government that sustained them has been ousted.

But the files seem to show something bigger, because they document a society in which friend was turned against friend and huge resources were diverted to the detection of the slightest suggestion of anti-government sentiment, and in which the security police were able to burrow into the most private corners of individual lives.

That, in turn, built a mood of deep fear and suspicion among Romanians, preempting open dissent until the revolution came, and leaving lingering apprehension about the future.

Mr. Pavaloiae said he had not been an active dissident, and had expressed displeasure only privately among those he considered friends. Yet those indiscretions drew sufficient attention for several thick dossiers to be compiled on him over the years, starting even before his denunciation by Minstrel.

Moreover, according to Mr. Pavaloiae and his associates from Focsani, the story built to a bizarre climax during the revolution.

Minstrel had worked in the town as the leader of a band that could be hired to provide the music and singing on occasions like weddings. So he owned one of the few loudspeaker systems permitted in a town, where, as in the rest of Romania, ordinary people could not even own a bullhorn.

"He helped us a lot — he really was a leader," Mr. Pavaloiae said of Minstrel, because he allowed his loudspeaker system to be used to rally support for the uprising.

Only after Minstrel had been elected to a revolutionary committee running the town after the fall of Mr. Ceausescu did other people denounce him and force him to withdraw, Mr. Pavaloiae said.

Minstrel could not be contacted to comment but, in a letter to the local newspaper in Focsani, he objected to his dismissal from the new revolutionary committee, saying he was a true revolutionary.

According to the incomplete files made available to reporters here, Minstrel made his first report about his friend to a Lieutenant Predescu of the security police at Safe House Rosa on July 13, 1977.

The files contain authorizations for wiretaps from May 23, 1979, to Nov. 23, 1979, and from June 9, 1981, to Oct. 9, 1981. Mail intercepts included copies of letters sent from France in 1985 and 1986.

The documents were marked "classified" on letterheads including that of the Interior Ministry, which ran the Securitate and the Department of State Security.

The wiretaps were requested, according to the documents, to determine "with what persons the target has telephone contacts, their telephone numbers, if there are discussions of a hostile character toward the policy of the party and our state policy, and if there are any indications that we can find about the intentions of the target to leave the country illegally."

In the telephone interview, Mr. Pavaloiae said he had seen other files listing all his close friends and chronicling attempts to induce them to testify. One file listed a denunciation of him by a schoolteacher with whom he had mutual friends, he said.

His dossier had been among "thousands" filling a bunker from floor to ceiling in the security police headquarters in his hometown.

His associates, who brought the documents to Bucharest and who asked not to be identified, said the files, discovered on Dec. 23, seemed to cover many of the adults among the Focsani area's population of about 100,000.

Mr. Pavaloiae said he suspected his friends had denounced him and had sensed that he was under surveillance, adding, "But I could not imagine it was really happening."

Eight months ago, Mr. Pavaloiae said, after he married a woman of Jewish descent following a divorce from his first wife, he made a formal application to emigrate to Israel along with their 5-month-old son, thinking to take advantage of Mr. Ceausescu's permissive policy toward Jewish immigration. It was not known Monday night what the result of that application had been.

But he said his story was not over. He had taken his personal files home from security police headquarters to study them. Then came a knock on his door. Army officers, he said, had come to demand the return of the documents Sunday, and his fear of the authorities had revived.

"I was very scared," he said. "I want to give my name to American journalists in case something happens to me."

A System To Avert Crashes

In Test, Jet Device Analyzes Takeoff

By Eric Weiner
New York Times Service

NEW YORK — Researchers at the National Aeronautics and Space Administration are working on a computer system that monitors airplane performance on takeoff, displaying the point at which an airplane will safely lift off and other crucial information that they hope could help prevent takeoff accidents.

NASA engineers are also modifying the computer system so that it can be used to aid pilots during landings in much the same way.

The majority of aircraft accidents occur during the first few minutes after takeoff or shortly before landing.

If the plane's performance is sluggish, for example, the computer advises the pilot to abort the takeoff and then calculates precisely where the airplane will come to a halt on the runway.

The engineers hope the device will help prevent accidents like the one in September in which a USAir jet skidded off the end of a runway at La Guardia Airport, killing two.

After the plane had begun to veer to the left edge of the runway, the captain slammed on the brakes in a futile attempt to stop.

NASA engineers began testing the computer system early last year using a flight simulator; the system is now being tested on a Boeing 737 based at NASA's Langley Research Center in Hampton, Virginia.

But questions remain about the system's accuracy, and it will probably be years before it is put to practical use.

Aborted takeoffs at high speeds are relatively rare. Only one pilot in 14 experiences one during a career, according to a Boeing study of flights between 1973 and 1981. Still, the survey found that 16 percent of aborted takeoffs resulted in accidents.

When a problem develops at takeoff, the pilot must decide whether it is safer to keep going or to try to stop. In general, the question hinges on how fast the plane is moving when the problem occurs.

For every runway, every aircraft and every set of weather conditions, a speed known as V1 has been calculated; at V1, it is considered safer to take off than to stop.

Preliminary evidence in the investigation of the La Guardia accident showed that the plane had exceeded V1, which in this case was about 140 miles per hour (225 kilometers per hour).

By measuring the acceleration of the plane before it reaches the critical speed, the new system will enable the pilot to decide earlier whether to abort the takeoff, said Raghavachari Srivatsan, a NASA engineer who began designing the system in 1984 as a doctoral student at the University of Kansas.

"The device tells the pilot whether the plane is performing up to snuff," he said. "Right now he has to read all those instruments and deduce from that whether the plane is working."

John O'Brien, the Air Line Pilots Association's director of safety and engineering, said the system would be especially helpful in alerting pilots to subtle lags in engine performance.

"It probably could have prevented a lot of accidents," he said.

In 1982, an Air Florida 737 crashed shortly after taking off from National Airport in Washington. Investigators discovered that an iced-over engine gauge had given the pilots false readings.

The NASA system would have alerted the crew to the plane's sluggish acceleration, calculated whether it was safe to take off and, in this case, advised them to stop.

But the system still needs work. For instance, it may not be able to predict accurately how well an airplane will brake on a slick runway.

NASA is also researching the effects of rain, ice and snow on runway friction, Mr. Srivatsan said.

Romanians Jail Entire Politburo

Compiled by Our Staff From Dispatches

BUCHAREST — The entire Communist Party Politburo, the executive body that ruled Romania before the overthrow of Nicolae Ceausescu, has been jailed, the new leadership announced Tuesday.

"The Politburo members are all in detention," a Foreign Ministry spokesman, Constantin Girbea, said at a news conference.

"I estimate there are about 60" in prison, Mr. Girbea said, "all close colleagues of Ceausescu."

Without specifying what charges the detained leaders faced, he promised that judgment would also follow for "all members of the Ceausescu family."

"All evildoers from the old regime will be brought to justice," the spokesman declared.

He said that the Defense Ministry would announce details of the punishments to be meted out later. The new Romanian leadership has abolished the death penalty.

According to official figures, the Politburo included just over 40 full and candidate, or nonvoting, members. Among them were Mr. Ceausescu and his wife, Elena, the country's second most powerful figure, who were executed Dec. 25 for genocide and abuse of power.

The Ceausescus' youngest son, Nicu, and their only daughter, Zoia, were both captured in the early days of the two-week Romanian uprising, which claimed thousands of lives.

About 40 Ceausescu relatives are thought to have occupied ranking government posts before the revolution. Mr. Ceausescu was one of nine children, all of whom had families.

The new interim president of Romania, Ion Iliescu, and Prime Minister Petre Roman met Tuesday with a French delegation led by Laurent Fabius, president of the National Assembly, the Romanian news agency Rompres reported.

The agency, formerly known as Agerpres, was renamed Tuesday, becoming the latest in a series of media organizations that have changed their names to distance themselves from Mr. Ceausescu's 24-year despotic rule.

Bucharest was quiet Tuesday after three days of New Year's festivities. There were no reports of sniper fire or clashes between the army and members of Mr. Ceausescu's hated security police force, the Securitate, which was officially disbanded Monday.

But hundreds of secret police agents were still believed armed and at large.

The final number of people killed in the uprising that toppled Mr. Ceausescu was still unclear Tuesday. Government officials have revised their estimate of the death toll down to 7,000.

A spokesman for the International Committee of the Red Cross in Geneva concurred that initial estimates of up to 60,000 dead were "far too high."

Western diplomats in Bucharest, citing witness accounts and their own assessment, believe that about 10,000 people were killed in the uprising.

Echoes of the Romanian revolution continued to resound Tuesday from other centers.

In Athens, a newspaper reported that the security chief of the Romanian Embassy in the Greek capital was shot and killed by the staff after Mr. Ceausescu's overthrow.

The allegation in the newspaper Eleftherotypia was immediately denounced as "fantasy" by the Romanian ambassador to Greece, Nicolae Ecobescu, who was one of the first envoys publicly to denounce Mr. Ceausescu after his overthrow.

The Greek government announced that it had begun an official investigation into the matter.

The newspaper said that the Securitate station chief was killed "in a dramatic confrontation" with the embassy staff, which had sided with the new provisional government in Romania. It did not name the security chief.

In Bern, Swiss police said murder was suspected in the death of a 39-year-old Romanian whose body was found Tuesday in a hotel room.

A police spokesman, Stefan Kaspar, said several people had told investigators that the dead man was linked with the Securitate. He said evidence indicated that the man, whose name was not released, had been murdered. *(Reuters, AP)*

Andrei Pandele/The Associated Press

A Romanian woman selecting medicine and supplies Tuesday in a Bucharest distribution center for aid that has flowed in from abroad.

Tass Says Azerbaijanis Riot Near Iran Border

By David Remnick
Washington Post Service

MOSCOW — Crowds of Azerbaijanis rioted Tuesday near the Soviet-Iranian border, destroying property, harassing border patrols and, in some cases, trying to cross illegally into Iran, according to official reports in Moscow.

"The crowd, some of them drunk or drugged, burned and destroyed engineering facilities, signaling systems, communication lines and border posts," the official Tass press agency said.

The rioters "threatened border troops and their families and were taking actions to provoke a response by border guards," it said, adding that damage ran "into the millions of rubles."

But Vagiv Samedoglu, a leader of the Azerbaijani Popular Front, a broad-based unofficial group in the southern Soviet republic, denounced the reports of rioting in the Azerbaijani enclave of Nakhichevan as a "monstrous lie and a libel on our people."

Interviewed by telephone in the Azerbaijani capital, Baku, he said that thousands had demonstrated "peacefully" for an open border between Iran and Azerbaijan.

"Since the days of Stalin there has been an official Berlin Wall between the seven million 'northern Azeris' in the Soviet Union and the 20 million 'southern Azeris' of Iran," Mr. Samedoglu said.

"We are not extremists, as the Soviet media and Moscow bureaucrats call us, but we want to be able to see relatives and have free trade across the border."

Tass, which did not provide much political explanation for the riots, said that Iranian border patrols had registered an official complaint over what they considered to be "an insult to the Iranian side."

"They asked the Soviets to undertake measures to stop the outrages and prevent more serious consequences," Tass said.

According to the official reports, the rioting began Sunday and has been fiercest in the Nakhichevan Autonomous Republic, a part Azerbaijan separated from the rest of the republic by a wide strip of Armenian territory.

The incidents are another chapter in the prolonged ethnic crisis in Soviet Transcaucasia.

For the last two years, the focus of most violence has been a dispute between Armenians and Azerbaijanis over the Nagorno-Karabakh Autonomous Region, which has a majority Armenian population but is under Azerbaijani control.

In a new upsurge of violence Tuesday, one person was killed and three were wounded when police cadets opened fire "in self-defense" on a group that attacked a convoy of buses carrying Azerbaijani passengers through the Nagorno-Karabakh region, Tass said.

Corneliu Bogdan Dies, Romanian Aide

Compiled by Our Staff From Dispatches

BUCHAREST — Corneliu Bogdan, the No. 2 official in the Romanian Foreign Ministry, died here Monday of a stroke, a Foreign Ministry spokesman said Tuesday.

Mr. Bogdan, 68, became ill Monday at the Foreign Ministry and died later at a hospital, the spokesman added.

A former ambassador to the United States, Mr. Bogdan was named to the post in the provisional government that took power after Nicolae Ceausescu was overthrown Dec. 22.

Fluent in French and English, Mr. Bogdan became a liaison between the National Salvation Committee, which is running the country until elections, and the world's press.

His death was first reported in Washington by his daughter, Svetlana Hoge, who said she was notified by the Foreign Ministry.

Mr. Bogdan served as ambassador to the United States from 1967 to 1970 and held senior posts at the Foreign Ministry in Bucharest until dropping from view in 1982.

By 1988, he was reported to be under house arrest as a potential opponent to a corrupt and faltering system. Before then, he was believed to have been the principal adviser on the United States to Mr. Ceausescu.

Mr. Bogdan's affable presence in Washington served as an important instrument to Mr. Ceausescu in his efforts to steer an independent course within the Soviet orbit.

It is unclear what finally drove Mr. Bogdan to turn against the Ceausescu government.

His dismissal from the Foreign Ministry, where he had been the director for Western Hemispheric affairs, came at a time when the Reagan administration was angry with Mr. Ceausescu.

After his release from house arrest early last year, Mr. Bogdan made his second appearance in Washington, as a visiting scholar at the Smithsonian Institution's Wilson Center. He returned home in December and went into hiding.
(Reuters, NYT)

Anti-Turkish Protests Break Out in Bulgaria

Reuters

KURDZHALI, Bulgaria — Bulgarians chanting anti-Turkish songs dating from Ottoman rule demonstrated in this southern town Tuesday against a decision to grant religious rights to local ethnic Turks.

Police with clubs kept about 1,000 Bulgarians and ethnic Turks apart at the protest outside Communist Party headquarters. Shouts of "Bulgaria, Bulgaria" and "No to Turkish slavery" were answered with: "Give us our names back. We want our rights."

Turks in the crowd outnumbered the Bulgarians, who oppose a decision by the country's new Communist leaders to grant religious rights to ethnic Turks and allow them to revert to their Muslim names.

About 10,000 Bulgarians carried out a similar protest Monday in Kurdzhali, prompting the party to send a leading Politburo member, Andrei Lukanov, to look into the situation, Bulgarian television said.

About 600 Bulgarians have been seen driving to Sofia, 250 kilometers (150 miles) to the north, where they plan to lay siege to the National Assembly building.

Communist authorities in Kurdzhali, a predominantly Turkish town of 50,000 people, decided Saturday to defy the ruling Central Committee's decision to overturn the previous leadership's policy of forced assimilation of ethnic Turks.

The Bulgarians, who said they were not consulted about the decision, demanded a national referendum to decide the fate of the country's 1.5 million ethnic Turks, many of whom live in this mountain region close to the Turkish border.

The national Communist leadership, concerned about the damage to Bulgaria's image from its past policy of forced assimilation of ethnic Turks, ruled last week that ethnic Turks and the 200,000 Bulgarian Muslims would be allowed religious freedom and the right to use their Muslim names.

Under Todor Zhivkov, the hardline former leader, ethnic Turks were forced to assume Bulgarian names. About 300,000 fled to Turkey in mid-1989 after several people were reported killed when police suppressed peaceful protests for Muslim rights.

Patrick Kelly, a U.S. Light in Paris Fashion, Dies

By Suzy Menkes
International Herald Tribune

PARIS — Patrick Kelly, the first American fashion designer to make it in Paris ready-to-wear, died Monday in the city that had taken him to its heart.

Mr. Kelly died at the Hôtel Dieu, the hospital near Notre Dame. The cause of death was bone marrow disease, according to his partner, Bjorn Amelan.

The death of the ebullient Kelly is the more tragic because the designer dealt in happiness, using bright colors, making clothes that went with a swing and a cling, dotted serendipitously with buttons.

They became his signature after buttons were scattered at random over a tube dress that he sold on the street in Paris in 1982. They were inspired by the unmatched buttons on ragged clothes he wore to pick corn and pecans as a poor child in Mississippi.

He would never reveal his age, but is believed to have grown up in the 1950s.

Mr. Kelly's rags-to-ritz fashion story began in Vicksburg, Mississippi, and went on to Atlanta, where he had a fashion boutique.

"I never graduated from anywhere except from the heart of my family," he said.

He never abandoned those roots, choosing instead to parody his ethnic origins by wearing a black doll pin. He filled his Paris studio with golliwogs, sent by his mother, Letha, of Vicksburg, and with pictures of his heroine, Josephine Baker.

Like his heroine, Mr. Kelly won adulation in Paris. He arrived in 1980, showed his first collection, ran up on his portable sewing machine in March 1985, and garnered a cult following. Clients have included the amazonian Grace Jones, Madonna and Diana, Princess of Wales.

Mr. Kelly's fashion apogee came in October 1988, when he kicked off his Paris collection as the first American designer to show with the international power elite in the courtyard of the Louvre. His show was a witty tribute to the Paris he loved, with smug, sexy dresses, appliqués of the Eiffel Tower and enough feathers to costume the chorus at the Moulin Rouge.

His mammoth overalls, cheery grin and outgoing personality warmed the hearts of press and buyers, although he had not yet developed as a major talent. Bergdorf Goodman and Bloomingdale's both bought the Kelly collection and he was backed financially from New York by Warnaco.

His associates hope to continue his business to encourage young talent.

Lilly Daché, the Milliner to Hollywood's Stars, Is Dead at 97

New York Times Service

Lilly Daché, 97, the milliner who flourished in the United States in the decades when women selected their new hats before they chose their new clothes, died Sunday in Louveciennes, France, near Paris.

She was known for her turbans, which she made by draping the fabric right on customers' heads.

Her clients included Hollywood stars such as Sonja Henie, Audrey Hepburn, Carole Lombard and Marlene Dietrich.

She went to the United States from France at 16 and lived with an uncle in Atlantic City at first. But she soon went to New York, saw a sign in a window on a shop on Broadway saying "Milliner Wanted" and got the job.

She became part of a group of milliners who were better known at the time than dress designers. They included John-Frederics, Walter Florell, Laddie Northridge and Sally Victor.

Scott Burton, 50, Created A Genre of Public Sculpture

NEW YORK (NYT) — Scott Burton, 50, a sculptor whose work balanced between art and furniture while evolving into a new kind of public sculpture, died of AIDS on Friday in New York City.

His benches, stools and chairs, cut from smooth and sometimes jagged pieces of granite, could often be found with people sitting on them in various North American cities, including Seattle, Cincinnati, New York City, Portland, Oregon, and Toronto.

Gerhard Schröder, 79, West German Politician

BONN (Reuters) — Gerhard Schröder, 79, a former West German foreign minister who helped to improve relations between Bonn and East Europe in the 1960s, died of heart failure Sunday on Sylt in the North Frisian Islands.

As foreign minister from 1961-1966 he initiated contacts with Warsaw Pact states, leading to the establishment of West German trade missions in Poland, Romania, Hungary and Bulgaria. He also held the interior and defense portfolios in various governments.

Mr. Schröder was a co-founder of the Christian Democratic Union and one of the last survivors of Konrad Adenauer's early postwar governments. He lost out to Kurt Kiesinger in an attempt to succeed Ludwig Erhard as chancellor in 1966.

William Scott, 76, Artist Known for His Still Lifes

New York Times Service

William Scott, 76, a British artist known for his still life paintings and drawings, died of Alzheimer's disease Thursday near Bath in Somerset, England.

In later years, Mr. Scott's emphasis on still life and the figure became increasingly abstract and austere.

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After the Despot Falls

The cause of human rights came triumphantly of age in the liberating 1980s. The decade began with the collapse of military rule in much of Latin America and ended with the toppling of one-party absolutism in Eastern Europe. Seemingly impregnable tyrannies were humbled by ordinary people who risked their skins demanding fundamental rights. Their voices could be stilled only by brute force, as in China, and sometimes even force was not enough, as in Romania. So lift a glass for the nameless and numberless many in this contagious struggle that owes much to America's history and ideals. And recall, too, how Jimmy Carter was mocked for calling human rights the heart and soul of American foreign policy. Those who mocked, in the name of realism, face a transformed world in which power is passing to former prisoners of conscience like Vaclav Havel, who is now president of Czechoslovakia.

But the big victories can be misleading. For those seeking to entrench rule of law, freedom of conscience and government by consent, the fall of the despot is a treacherous moment. Emboldened by a freer atmosphere, citizens vent long-suppressed grievances and openly challenge old abuses before new safeguards are in place.

In 1989, a year of deliverance, human rights monitors were at greatest risk in ostensibly democratic states. Of 68 people killed worldwide during the year for striving to monitor and report on abuses, only five perished in dictatorships. The highest toll, 24 deaths, came in democratic Colombia, a narcotics battlefield. Brazil ranks second, with 14 killings; others were killed in Peru, Sri Lanka, Guatemala and Pakistan.

These figures are from an annual survey compiled by Human Rights Watch, a group known for its evenhanded reliability. Total cases of persecution of monitors have jumped from some 500 in 1987 to 1,200 in 1989. The most worrisome rise is in Latin American and East Asian countries where gains for electoral democracy have not brought greater respect for human rights.

Greater freedom in Eastern Europe and the Soviet Union carries the same risks, as new regimes contend with cries for vengeance, rival parties that scramble for power and ethnic minorities that clamor for independence. Once the euphoria of liberation has waned, the harder task for human rights advocates will be to restrain their new governments with laws assuring the rights of the despised and the defeated.

In the 1980s, dictatorships of every stripe were subjected to determined international scrutiny. Lives were saved and prisoners freed. Together with indigenous democrats, the international human rights campaign sped the end of tyranny in the Philippines, Chile and South Korea; it embarrassed South Africa, Cuba, El Salvador and Iran. By decade's end, no dictatorship, not even China's, could plausibly argue that human rights were purely an internal matter.

These are considerable achievements. But the world's conscience is a fickle thing, and what a sad development it would be if the semblance of success now led to an easing of pressure. For the human rights movement in the coming decade, the task may well be to extend the same test, the same single standard, to any abuses by the elected heirs of Big Brothers past.

— THE NEW YORK TIMES.

News for the Vietnamese

President George Bush has been pressing China to stop jamming Voice of America broadcasts and allow the Chinese people to hear the news from abroad. Simultaneously his Treasury Department is doing its level best to keep the people of Vietnam in the dark. It has forbidden the Turner Broadcasting System to export its Cable News Network programming there on grounds that the news would violate the American trade ban on Vietnam. The inconsistencies and eccentricities in the management of the export controls are bringing the whole operation into disrepute.

Attempting to defend the recent mission to Beijing, the administration argues that its diplomacy is leading to better relations with China. As evidence, it cites the recent Chinese decision to allow the United States to send a new VOA correspondent there. But that is only a modest gain. Getting the VOA signal unimpeded to Chinese listeners is a good deal more important. The United States knows that the free flow of information strengthens the people in China who are working for reform.

Why doesn't the same logic apply to Vietnam? Turner Broadcasting wants to set up a receiving station and sell the Vietnamese (for 1 cent a year) the legal right to rebroadcast its signals through their local stations. It is the sale of the copyright, along with the establishment of the receiving station, that triggers the Treasury's legal case. Congress passed legislation last year to exempt information materials from the export controls. But the Treasury holds that informational materials means physical goods such as books and tapes, not television signals. That is, according to the Treasury, it means materials but not information. Turner Broadcasting has now asked the courts to have a look at that piece of logic. Anyone in Vietnam with a dish to pick up signals directly from satellites can get CNN. That means government officials. What the Treasury is blocking is a deal that would make CNN available to other people.

CNN now broadcasts to some 87 countries, including both the Soviet Union and China. The Vietnamese would get the same news that those Asians living in open societies such as Japan and Hong Kong are getting. The Vietnamese people are living in great isolation under a repressive government. Access to information can only help them. Unlike the Chinese government, the government of Vietnam is apparently willing to let the news in. It is an opportunity that the administration should leap to encourage.

— THE WASHINGTON POST.

The EC-EFTA Puzzle

Few people realize just how tangled a year 1990 will be for Europe. Everyone knows this is the year when the European Community starts trying to work out what "monetary union" among its 12 countries would mean. The Community must also sort out its relations with the newly liberated nations of Eastern Europe. And now it has promised to make 1990 the year of its coming together with the third part of Europe — the six countries of the European Free Trade Association.

These six — Sweden, Switzerland, Austria, Norway, Finland and Iceland — have so far kept out of the European Community because they reckoned that joining it would take away too much of their independence. But they do not want to be left out of the Community's post-1992 single market, because the removal of almost all the remaining barriers to free trade (which is what the single market means) will make everybody richer. So they will sit down, by the coming summer, to work out a way of fitting themselves into the single market. What nobody knows is how this can be squared with preserving their independence.

A few things have been agreed on. The six can go on keeping agriculture a purely national affair. In return, they will accept most of the Community's rules about the free movement of goods, workers and money. The big argument is going to be about how the new regulations that will be needed to govern relations between the twelve and the six are to be determined. The Community wants to ask EFTA what it thinks the regulations should say, but then enact them itself. EFTA wants its members to have a say, yes or no, on every new law.

On the face of it, EFTA does not have much to bargain with. Its combined population is only a tenth of the Community's. It badly needs to be inside that single market. At least one of its members, Austria, may yet abandon the rest and try for full membership of the Community.

In fact, the six will be tough. They may be small but they are rich, and so a great trading partner for the Community. And most of them have something serious to fight for. Sweden, Switzerland and Finland are genuinely reluctant to endanger their neutrality by accepting an orders-from-above relationship with the Community. Switzerland might have to rewrite its constitution if it accepted the Community's plan for future rule-making, because its present constitution would let any of those rules be put to a national referendum at the request of a handful of Swiss voters.

To fudge the difference between national rights and collective decision making, if that means decision making by the Community, looks impossible. The Swedes, the Swiss and the rest of EFTA either will or will not have the power to reject the new laws produced by their new relationship with the Community.

After the exhilaration of the past year or two, 1990 could be a sobering time for Europe. Within the Community, Margaret Thatcher will be fighting for a definition of monetary union that does not rule out the autonomy of each country's budget, and she may be getting more support than she expected. Eastern Europe will be asking Western Europe for help on a scale that will mean either higher taxes or more inflation. And the negotiation with EFTA will show whether independent life is possible outside the Community. The dream of Europe comes face to face with the unavoidable questions.

INTERNATIONAL HERALD TRIBUNE.

Other Comment

President Havel Sets the Tone

Czechoslovakia, like its neighbors, faces huge problems in creating a prosperous and pluralist society. Nevertheless, the country's experience of liberal democracy between the wars and its industrial tradition give hope for the future. By his straight talking and his emphasis on underlying moral imperatives, Vaclav Havel has set the tone for national regeneration.

— The Daily Telegraph (London).

Vaclav Havel has gone from jail to the presidency in nine months. Alexander Dubcek is rehabilitated, putting his prestige to work for the nation. Free Czechoslovakia is well on the way.

— The Baltimore Sun.

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OPINION

Western Policy in the '90s: A Steady Course Will Do

By Paul H. Nitze

This is the second of two articles.

WASHINGTON — Soviet nationalities pose a difficult policy dilemma. Here, the values of the West come into conflict with pragmatic interests.

While we rightfully support the aspirations of all nationalities for greater self-determination, we must also beware the great danger that might arise should ethnic conflicts in the Soviet Union get out of hand. The possibility of chaos or civil war in a land where tens of thousands of extremely powerful nuclear weapons are stored is not to be taken lightly.

There is no way to resolve this dilemma in a completely satisfactory manner. But I would distinguish between the Baltic states and other nationality groups.

The former were absorbed, contrary to their will, many years ago, and the United States has never considered their annexation to have been legitimate. To change that view now, in order to help Mr. Gorbachev survive, is in my view erroneous in principle and apt to be counterproductive in practice. Therefore I disapprove of recent U.S. statements discouraging the Baltic states from pursuing independence at this time.

I would recommend a more cautious attitude, however, toward the Georgians, Armenians, Azerbaijanis and other nationality groups. The West should maintain its support for self-determination in general, but it should avoid giving encouragement to secessionist movements. The primary thrust of our policy should be to object on humanitarian grounds to any use of excessively harsh means to suppress these groups.

What should be the policy toward attempts to restore the Soviet economy from its current breakdown? Economic chaos in the Soviet Union is not in the Western interest or that of the Russian people. Nevertheless, I would not recommend that we provide extensive material economic aid at this time.

At some time in the future, the Soviet part of the world will probably be able to take advantage of modern management and technical advances. If it were to achieve efficiencies even half of those now enjoyed by Western Europe, the United States, Japan and much of East Asia, the per capita income of the Soviet population would be many times what it is today. But until those in charge in the Soviet Union cast off the ideological barriers that prevent them from accepting private ownership of land, homes and small businesses, there is little prospect of economic revival.

It seems reasonable to expect that any successor will follow a foreign policy not too different from Mikhail Gorbachev's.

Arms control also requires a steady course. In the talks on reducing conventional forces in Europe, NATO and the Warsaw Pact were converging toward what could be a useful agreement. But now, with many believing that the threat has become remote, differences among members of NATO have again come to the fore. Much diplomatic work within NATO needs to be done to keep CFE on track.

A START agreement is particularly important to the security of the United States. To achieve a truly stabilizing agreement means not only filling in all the holes that yet remain in the U.S. negotiating position but also resolving several key issues with the Soviet Union at the political level; they have held up progress toward genuine stability for too long.

Even if a START agreement could be concluded along the lines Washington has been seeking for some time, it would not provide adequate assurance of stability for the long term. There are some 30,000 nuclear warheads and thousands of delivery systems in the Soviet Union. The current U.S. position does not propose that any nuclear warheads be destroyed or that there be cuts in delivery systems of sufficient magnitude to provide confidence of long-term stability.

The most threatening of the Soviets' long-range systems are the heavy ICBMs. They are now modernizing those missiles with a new system called the SS-18 Mod 5. These will be the most modern, most destructive and most potentially destabilizing systems in the world.

Recently, Mr. Gorbachev has said that the tensions in Europe in the last decade were caused by an erroneous decision by the Soviet Union to deploy powerful missiles — the SS-20s — in the center of Europe without considering the anxiety it would cause to the European NATO countries. I believe the United States should now point out the analogy between the earlier Soviet error in deploying SS-20s and their current error in insisting on maintaining and modernizing their heavy ICBMs. But we must recognize that Mr. Gorbachev is unlikely to agree.

As long as 30,000 large and potentially destabilizing nuclear warheads and long-range delivery systems exist in the Soviet Union, someone in the West will have to accept the task of deterring their use should the Soviet leadership become uncertain or irresponsible. That task will necessarily fall to America. No one else is apt to relieve it of the burden.

If America is to carry the burden, there should be an organizational structure through which it consults with its allies on the steps needed to maintain the bottom line of the common defense. NATO would appear to be the natural organization through which to conduct such consultation. So I think it important that America and its allies resist any suggestion that NATO be disbanded, regardless of whether the Warsaw Pact remains intact.

□

Finally, let me address the more general policy question of how to view glasnost, perestroika and their originator, Mikhail Gorbachev. Should the West wish for their success? If so, how much help should we provide?

I agree with those who argue that the success of glasnost and perestroika is in the West's interest — that it would likely lead, in the long run, to a more open, more prosperous, less militaristic Soviet Union that evidenced greater respect for individual and national rights and played a more cooperative role in international affairs. But I also believe that our ability to influence the outcome is limited. As Mr. Gorbachev and his colleagues have stated on many occasions, the success of perestroika depends on the Soviets themselves.

Furthermore, I believe it would be a mistake to tie our policy too closely to a single individual. Washington tried that in Iran with the shah and in China with Chiang Kai-shek. In both cases, it backfired badly.

The West should be positioned to deal effectively with Mr. Gorbachev's successor, should a change of leadership occur. And we can take confidence from two factors: Any Soviet leader will have to adjust to the same dramatic changes that have taken place in the world scene in the last few months; and any Soviet leader will be constrained by the same internal problems. For these reasons, it seems reasonable to expect that any successor will follow a foreign policy not too different from Mikhail Gorbachev's.

The writer was special adviser on arms control to President Reagan. He contributed this comment to The Washington Post.

The State of AIDS: Complacency Is Less Called For Than Ever

By Jonathan Mann

Dr. Mann is director of the Global Program on AIDS of the World Health Organization.

GENEVA — At the end of the first decade of the AIDS pandemic, we are at a critical crossroads. While significant progress has been made in mobilizing resources around the world to meet the challenge, the gap between the pace of the epidemic and efforts at prevention and control threatens to widen.

We are racing for control of an epidemic as fatal as any the world has known. As the 1990s begin, our vulnerability to AIDS is increasing. Major barriers to more effective action still exist, and complacency about AIDS is spreading. It threatens to undermine progress and cripple future efforts. Denial of these realities, at a personal, national and international level, remains a grave danger.

The epidemic of human immunodeficiency virus, or HIV, infection and AIDS started during the mid-1970s. By 1981, when AIDS was first described in the United States, the virus had spread to five continents. In the mid-1980s, recognition of the global scope of the problem was accompanied by legitimate fears of an uncontrolled epidemic.

During the 1980s, more than 5 million people were infected with HIV, about 600,000 people developed AIDS and more than 300,000 died. The World Health Organization predicts that by the year 2000, 6 million AIDS cases may have occurred. If the spread of the virus accelerates, especially in Asia, these estimates will be too conservative.

The global response to the crisis has been dramatic and unprecedented. Since 1985, the world has seen commitment, creativity and courage without equal in fighting the epidemic.

To marshal resources against the threat, the World Health Organization and various countries designed, adopted and carried out a global strategy. A remarkable scientific mobilization has produced the first useful drugs and steps toward a vaccine.

Solidarity in the face of AIDS led to sharing of technical and financial resources between industrialized and developing countries. Through the United Nations, a network of national governments, community organizations and peoples are allied against a common danger. Some of the strongest programs ever seen in public health are beginning to show results.

AIDS programs in such countries as Uganda, Brazil, Denmark and the Philippines have begun the work of education, protecting the blood supply and caring for the infected and ill. During the 1980s these programs showed that men and women can protect themselves and others if given information and support — as in San Francisco, Stockholm, Amsterdam, Sydney, Kinshasa and Nairobi.

Still, the World Health Organization believes that the struggle with AIDS during the 1990s will be much more difficult than during the last decade. There are many critical issues.

HIV infection continues to spread. It is increasing rapidly in some populations and reaching new areas, such as Eastern Europe, Southeast Asia and West Africa. Recent HIV spread in Thailand, the Soviet Union and the Ivory Coast reminds us that no society is immune.

Drug use threatens to expose new populations. The United Nations estimates that as many as 5 million people worldwide inject themselves with drugs. The vast majority are vulnerable to HIV infection.

Sexually transmitted disease continues to spread. Each of the well over 100 million cases of sexually transmitted disease in the world each year represents a potential opportunity for the spread of HIV.

Treatment is limited. While the development of drugs to treat opportunistic infections and HIV has accelerated in the past several years, these drugs are not generally affordable or available to the majority of those in the world who need them. AIDS prevention and care will fail if it is only the rich who have access to effective drugs and vaccine.

Systems are strained. Health care and social service systems in parts of the industrialized and developing world are straining to meet today's needs and will face even worse problems in the early 1990s. The gap between AIDS prevention and care in industrialized and developing countries is widening as the costs of blood screening and drugs for treatment remain high.

Underlying problems are not addressed. Societies are still reluctant to confront the underlying social problems that create and enhance vulnerability to AIDS. The epidemic cannot be controlled unless we openly and courageously tackle problems such as drug use, access to health services, discrimination, prostitute-client relationships and education of young people about sex.

Research is needed. Studies of sexual and drug-injecting risk behaviors must be expanded. This information is critical to guiding AIDS prevention and control programs.

Discrimination continues. Some societies continue to permit discrimination against people with risk behaviors for HIV or against people who are HIV-infected. Ignoring discrimination may be politically expedient, but it is dangerous to society and to public health.

Thus, from a worldwide perspective, our confrontation with AIDS has reached a turning point. At great human and financial cost, the foundation for successful action has been built. We know how to slow the spread of HIV infection, although the work is difficult. New technologies already provide hope for infected people, and work on prevention through a vaccine is under way.

But if complacency, indifference and denial lead to relaxation of efforts or to a decrease in commitment to fighting AIDS, we will fall further behind the pace of the epidemic.

Either we build upon and strengthen what has been accomplished, or the fears of the 1980s may become a tragic reality.

International Herald Tribune.

Israel and the PLO: Beyond Elections, the Real Goal Is Peace

By Abba Eban

The writer was Israel's foreign minister from 1966 to 1974.

NEW YORK — This month the American secretary of state and the Israeli and Egyptian foreign ministers are to meet in Washington to discuss how to form a Palestinian delegation to meet with Israel. If all goes well, these ministers, along with the Palestinians agreed upon in Washington, will all meet in Cairo to discuss procedures for holding West Bank and Gaza elections to choose representatives to negotiate with Israel for interim self-government.

Since Israel refuses to deal with the Palestine Liberation Organization, the United States will probably tell Israel that the Palestinian delegation in Cairo is dissociated from the PLO. But this tactic would not convince others, who would regard them as well-defined PLO partisans.

It is still not certain that West Bank and Gaza elections will be held. The reason is that the United States and Egypt disagree with Prime Minister Yitzhak Shamir's view that the PLO can have no role, direct or indirect, in the peace process.

But Mr. Shamir, after all, initiated the idea of the elections, so it is urgent to hold them and to break out of procedural debates.

Free, democratic elections would enable the Palestinians to say what they like, display their emblems, celebrate their leaders and assemble peacefully. This would be a positive change in the present situation in the territories.

Elections, however important, are not the basic peace issues. Those issues are the status of the West Bank and Gaza, the distribution of sovereignty or control in those territories, the location of Israel's secure boundaries and the structural relationship among Israelis, Jordanians and Palestinians in a permanent settlement.

None of these issues is even remotely addressed in "the only game in town," as the United States has described the elections. In preoccupying itself exclusively with elections, Washington is sidetracking the considerable Israeli and Arab opinion that is ready to think about central peace problems.

U.S. officials tell us that there has been no "ripening" of conditions for discussing peace, security, boundaries and constitutional structure. Contrary to conventional wisdom, our region has never been as ripe as it is today for large visions and hard facts.

Israel's political parties, media and think tanks are reflecting deeply on new possibilities, including confederative and community structures that could accommodate Palestinian freedom without risk to Israeli security.

The leading Israeli institute of strategic studies (at Tel Aviv University), headed by mainstream defense experts, has formulated the far-reaching principle that "Israeli security can be maintained through continued military deployment but without physical control over all the territories and all of the Palestinian inhabitants." Israeli polls report majorities for territorial compromise and the principle of dialogue with whomever the Palestinians appoint. This is a promising prospect, because there is now a pragmatic school in Palestinian mainstream thinking.

Eastern Europe's uprising strengthens the principle that every people is entitled to representatives of its choice. Acceptance of this doctrine could bring the Middle East out of anachronism into the spirit of the age. Besides, the Soviet Union has never been more ready than now to oppose extremism and to cooperate in stabilizing the Middle East.

The case for discussing the major problems now is strengthened by international experience, which instructs us that it is just as difficult to get agreements on small steps as it would be on central issues. Nothing is gained by procrastination.

In the meantime, the United States should publicly clarify its own conclusions on the crucial issue of Palestinian representation in the peace process. Does Washington truly believe that it is feasible to produce an Israeli-Palestinian dialogue in total dissociation from the PLO? If so, it should give its evidence for that belief.

Or does it conclude, together with all the rest of the world, that this is not feasible? In that case, it should state its finding openly. This would galvanize Israel and the other parties to seek pragmatic decisions on their home grounds. The death of illusion is a necessary prelude to the birth of realism.

This article was contributed to The New York Times before this week's cabinet crisis in Israel.

Democracy: While Others Learn It, America Needs to Repair It

By David S. Broder

WASHINGTON — A word of warning to regular readers of this column. There is a subject on which I intend to become a crank.

No one can go to Eastern Europe in this season of its liberation, as I have just done, and come home uninspired by the power of democracy as a universal ideal. It would be grotesque, at such a moment, to watch without protest the strangulation or distortion of democracy in the United States.

Rather, as 1989 was a year of victory for freedom in the world, each American must do what he or she can to assure that 1990 is a year of renewal for democracy in the United States. It is time for those of us in the world's freest press to become activists, not on behalf of a particular party or politician but on behalf of the process of self-government. It is time to expose the threats to that process and support the efforts to get rid of them.

We cannot let the 1990 elections be another exercise in public disillusionment and political cynicism. Three elements are crucial — and in each, the press has a significant role to play.

The first is improving the quality of candidates and encouraging the spread of political competition. It is already late to be recruiting for the 1990 contest, but not too late for the parties to ascertain — and news organizations to publicize — where gaps exist on the 1990 ballots. Every one of those gaps that can be filled by able people before the filing deadline is a victory for democracy.

As journalists, we need to acknowledge that our vigor in exposing politicians' shortcomings has made many talented men and women wary of seeking and holding public office. We should not relax our vigilance, but we should be sure that we balance the books by saluting those who strengthen the nation by serving in elective office, or simply by challenging the current officeholders vigorously enough at election time so that they are forced to explain their records.

Second, we have to help bring the financing of campaigns back into the hands of the people who are represented, rather than letting it continue to be controlled and manipulated by those seeking special treatment from government. We do not have to wait for another scandal to realize that the purchase of access to elected officials through large-scale fund raising endangers representative government and breeds justifiable public distrust.

One way of getting campaign finance back into the hands of the people is through a tax-form checkoff system, with reasonable limits on campaign spending, as is already required in presidential campaigns. Another is to require that candidates raise their funds, in small sums, in the jurisdictions they represent. A third is to challenge and empower political parties to raise the money their nominees need.

The best mix of methods is debatable. But the need to clean up the present corruption is clear.

Finally, the campaign dialogue must be rescued from the electronic demagoguery favored by too many hired-gun political consultants. Election campaigning must be reconnected to governmental decisions that voters really care about.

The public is sick and tired of being assaulted for weeks before election day with horrifying recitals of the opposing candidate's supposed record on some issue — which magically disappears once votes have been counted. That is fine for the consultants, who collect their fees and go off to another campaign in another state. But voters are cheated of their right to hear their own concerns discussed and have their own views registered.

This is the issue on which the press must take primary responsibility. Consultants and their clients are not going to clean up their act as long as the political marketplace rewards such tactics with success. Legal restrictions are anathema to those of us who fear governmental regulation of political speech. So the press will have to step forward to police the campaign process, much as we try to catch cheating and chicanery in government.

That means that we must be far more assertive than in the past on the public's right to hear its concerns discussed by the candidates — in ads, debates and speeches — and far more conscientious in reporting those discussions when they take place.

We have to help reconnect politics and government — what happens in the campaign and afterward in public policy — if we are going to have accountability by elected officials and genuine democracy. In the world of 1990, anything less is unacceptable.

The Washington Post.

100, 75 AND 50 YEARS AGO

1890: A Star for Stanley

ZANZIBAR — Mr. H. M. Stanley left Mombasa yesterday [Jan. 1] with his entire staff, and is now proceeding to Cairo, thence to England. Before his departure he received, through Colonel Ewan Smith, the Sultan's order of the first class, the brilliant star of which was presented to him by the Colonel.

1915: Roumanian League

BUCAREST — Some of the most prominent Roumanian political leaders have been elected to form the committee of the "Liga Culturali," a league for the development of Roumanian culture among all Roumanians with Nationalist tendencies. The election affords evidence of the public demand for intervention in the war for the liberation of the Roumanians of Transylvania and Bukovina. The election also expresses the sympathy of the Roumanians for Italy.

1940: Gehrig's New Job

NEW YORK — Lou Gehrig, the idol of America's baseball playing youth, took over his new job today [Jan. 2], but he didn't let down "the kids." Mayor F. H. LaGuardia named him a member of the three-man Municipal Parole Commission in November after leaving baseball the past season due to illness. Asked by newspaper photographers to pose while smoking a cigarette, Gehrig refused, saying: "I can't encourage kids to smoke." Although his affliction, a rare form of infantile paralysis, prevents him from taking part in any sport, the former "Iron Man" of the diamond looked fine. He has indicated that he is taking his new job as seriously as he took baseball. Gehrig, whose top baseball salary was $36,000 in 1938, turned down several job offers almost as lucrative to accept the Parole Commission appointment, which carries a salary of $5,700. Gehrig said that he was "damn proud of the job" as an opportunity to do some "constructive" work.

OPINION

Americans Can Have a Proud Decade, for a Price

By A. M. Rosenthal

NEW YORK — Now come the '90s, and before they are over we will know whether the United States will recover its pride in itself.

As the '80s ended, it was hard to say this was a nation and a people who had a right to be proud of themselves.

Can we say we are proud of a nation where gangs of criminals terrorize our cities and shoot citizens walking by — merely to stake out their turf against

ON MY MIND

other murdering gangs? That happened in New York on Christmas Day, 1989. One of the victims was a teenager. The other, shot in the abdomen, gave birth in the hospital and then died.

Across the country, hundreds of Americans die much the same way, shot dead in their streets — out for a little walk, and shot dead.

Proud? Of a society that lets the killer gangs buy guns specifically designed to kill other human beings — kill as many as possible as *rapidly as possible*?

Proud of a society in which babies are born brain-damaged because their own mothers pass a preventable illness to them? That happens every day — hundreds of thousands of times a year. How proud can we be of a system that will not even pay to make sure that these women receive hospital care when they need it?

How much pride can we take in a country unwilling to put up the money and energy to fight a social and health epidemic that brings illness and death to millions who suffer from it, and violence and fear to all around them — an epidemic that destroys the health, hope and future of millions of young people, most of them poor and black or Hispanic?

No, there was not much reason for pride in the '80s in the American failure to deal with the national crisis of drugs.

But at least the country enters the '90s with the knowledge that it cannot delude itself any longer. We all know the truth of the scope of the danger.

There are some who would try to meet the problem by legalization of drugs. Conceivably that may mean fewer prisons — just more addicts, more crack violence, more callousness, more danger, more crack babies.

The legalizers are few now. But their numbers will grow if the rest of us, who see legalization as a cruel surrender of the rights of others to a decent life and of our own right to civil peace, do not supply the arms for the war against drugs.

The weapons are money, intelligence, attention, compassion, time, planning and determination.

Money. Yes, billions will be spent on law enforcement and prisons. There is no way out without the legalization that carries the plain danger of American social disintegration.

But those billions will be wasted unless enough money is spent on treating those who need help and are still in a condition to ask for it.

Therapeutic communities, which provide the intensive year or two of care that is the best treatment, do not have enough money.

Neither does medical research in the drug field. That is the fault of the government funders — but also of the scientific community, which treats drug research and researchers with strange casualness.

And here is a note from Daniel Patrick Moynihan, who graces and prods New York and the U.S. Senate. He writes that women who are poor, crack addicted and pregnant cannot get Medicaid help for hospital care. Pregnant heroin addicts, yes, but not the women who will give birth to the crack babies.

CRACK

I don't know the reason and don't much care. The senator says the president could end the policy about pregnant crack addicts by an order to the Health and Human Services Department.

Quite possibly the president does not know — there are so many regulations lying around. If so, could somebody, maybe Bill Bennett, that first-rate man who is his anti-drug director, go to the White House, tell him, say to hell with bureaucratic rationalizations, do it, please just do it?

The rest of us — private citizens and political organizations, particularly Republican — should tell Mr. Bush that if he believes we are in a war against drugs, then his responsibility is to win it. If that means taxes, then do it, for heaven's sake do it.

And for the life of me I cannot understand why some of the defense money we are supposed to save because of the collapse of communism cannot be put into the drug war.

Do it, Mr. Bush, just do it. Remember your Inauguration Day pledge — the drug scourge will end. Make the '90s the pride decade for America, and for yourself. Do it, just do it.

The New York Times.

The Guessing Won't Be All Wrong

By Nicholas Wade

NEW YORK — Programmed dreams, individual flight platforms, human hibernation — these are some of the innovations cited by Herman Kahn and Anthony Wiener as likely to occur before the year 2000.

Their predictions, offered in 1967, were not at all bad. But even with 10 years to run, their forecast veers toward excessive optimism about technology and its blessings.

Given the tenor of the 1960s, that is not surprising. Just as historians interpret the past by the present, analysts of the future usually project some present trend. Their forecasts would always be right — except for the unforeseen factor by which the trend is shattered.

Hence the maxim that prediction is very difficult, especially with regard to the future.

If the '60s produced technological optimists, the 1970s bred pessimists, particularly in the Club of Rome's report, "Limits to Growth." Population growth, industrialization, rising pollution and dwindling resources were interwoven trends, the club's computer model warned, that would lead to Malthusian collapse within a century unless the trends were altered.

MEANWHILE

The club was right to tell industrial countries that they had to pollute less, but it underestimated the power of technology to raise the limits to growth, and the vast flexibility of economic systems to respond to shortages with new sources of supply.

Forecasts of oil crises and other shortages, The Economist remarked in the dark days of 1974, always result within 10 years in vast surpluses of the commodity predicted to be scarce. Provided that all pundits and politicians believe the forecast, governments and producers "are triggered by that commentary into starting the overproduction cycle at precisely the same time." Indeed, the world soon swam in oil.

In the 1980s, when Americans were fretting over their stressed economy and the burden of the Reagan military buildup, along came another tome in tune with the zeitgeist, Paul Kennedy's "The Rise and Fall of the Great Powers." Mr. Kennedy argued that great empires had slid into decay when military spending exceeded their economic base; he said the United States was headed the way of imperial Spain.

His yardstick of excess — 10 percent of GNP on military spending, a measure buried in a footnote — was never even approached during the Reagan years. Still, his method, applied more evenly, might have predicted the sudden economic retrenchment in the Soviet Union, which spends at least 14 percent of GNP on defense.

This decade will doubtless produce a crop of predictions to match its preoccupations. Computer models will predict imminent or not so imminent warming of the global climate. Economists will warn of global boom or gloom, recession and depression. Japanologists will warn of the impending ascendancy or collapse of Japan.

There will be a little truth, we predict, in all these predictions. But also a large dollop of error.

The New York Times.

LETTERS TO THE EDITOR

Panama: Justified Intervention or Reckless Militarism?

Of course President Bush did the right thing sending the army to Panama. The canal must stay open for international traffic, and it is best that this happen under American guarantee and with security provided by the U.S. army.

WILL de CLERCQ.
Lokeren, Belgium.

Comparing this latest imperialist act by the United States with the Soviet response to the recent events in Eastern Europe indicates that the U.S. and Soviet philosophies on armed intervention have been reversed. Let us hope East-West relations and plans for arms reduction can survive this major fumble.

DAVID H. WARE.
Paris.

That the Vatican should hesitate even for five minutes to turn the evil Manuel Antonio Noriega over to the United States is scandalous. Like Nicolae Ceausescu of Romania, his crimes against humanity deserve no pity.

The fact that he is one of the most wanted men in the world, accused of drug trafficking on a gigantic scale, is enough to justify bringing him to trial. To even contemplate allowing him to take refuge in another country and to live in luxury with his millions of dollars would be an insult to world opinion.

CLIVE DRUMMOND.
Geneva.

For a wimpy kind of guy who wanted a kinder, gentler nation, this has been reckless military adventurism at its worst. Were all avenues of recourse exhausted? Americans are absolutely hypocritical when it comes to interfering in other nations' affairs.

Democracy is an ancient system of representation — not a catch phrase to justify criminal assault.

R. K. RAEGER.
Amsterdam.

Regarding the report "U.S. Legal Ruling Condones Arrests Overseas by the Military" (Dec. 18):

If the U.S. government can send its police or army uninvited into another country, other countries can feel free to send their people into the United States for similar purposes.

TERRY BROWN.
Hamburg.

Hundreds of civilians died in Panama because of the U.S. military intervention there. Is a massacre in Panama City different from one in Beijing only because the killers are American soldiers?

FRANCO CAVALLI.
Bern.

Holding Back Democracy

Regarding "End of History: So Misunderstood by So Many" (Opinion, Dec. 15) by Francis Fukuyama:

The essential question that must be addressed in connection with Mr. Fukuyama's article is whether ideology really makes a difference when weighed against the harsh realities of hatred, intolerance and violence.

The optimistic answer is that with the wider acceptance of democratic ideals (including greater respect for human rights) and with democratic political systems becoming more numerous and less vulnerable to extremist forces, fundamental structural changes have taken place and are solidifying.

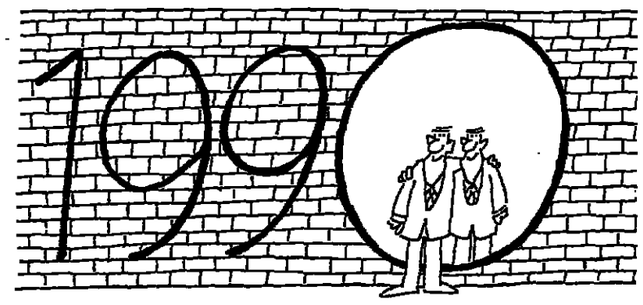
The pessimistic view is that we have been lulled into an illusory sense of progress, in part by the nuclear stalemate. The difficulty in holding the optimistic viewpoint comes from the virulence of the hatreds that have surfaced since World War II — trains with relief goods for Armenia are destroyed while passing through Azerbaijan; terrorists blow up civilian airplanes; countries like Syria systematically torture and murder their own civilians.

And in the face of all this, the so-called liberal world community is not only unwilling or unable to act, but refuses even to support measures condemning such atrocities. One cannot help but ask how much difference the ideological progress really makes.

MARK L. COHEN.
Paris.

After reading Mr. Fukuyama's essay, I believe the world has one more chapter to live through: the further rise and subsequent demise of socialism.

Everyone is elated by the process of ending communism. But socialism is a potentially far more destructive system. Communism, with its gulags and harsh repression, is a system that most people will instinctively fear and reject, though we should reflect for a moment at how long a time it managed to remain in power.



By BAS in Tachydromos (Athens). CAW Syndicate.

Socialism, while less threatening on the surface, is far more dangerous. Promising better conditions for the working class, it fools people — power remains the main objective. It will take a great deal of intelligence and energy not to succumb to socialism.

ALBERT C. van DAALEN.
Geneva.

Undoing '40 Years of Lies'

"The winds of change are upon us," it is said of recent events in Germany; the winds of East-West change, of reform, of disarmament, of world peace.

But caution is required — a caution fueled by differences in religion, culture, race, language and, in this case, political ideology. As an East German who resettled in West Germany told me, "One does not undo 40 years of lies overnight."

Several hundred thousand Soviet troops are still stationed in East Germany. There are economies that have essentially stood still for 40 years. It will take time to make significant changes. There are, after all, some forces over which man still has no direct control.

RAYMOND F. HEATH.
Donaueschingen, West Germany.

Doctrines of Violence

Regarding "In Southern Africa, the Doctrines of Violence Are Giving Way" (Opinion, Dec. 19):

Chester A. Crocker's assertion that violence is giving way in southern Africa is very welcome to anyone who hopes for an end to the bloodshed in that deeply troubled part of the world.

Yet in saying that the Namibia-Angola settlement could open the door to "a brighter future for 150 million people," he fails to recall his own statement that, since the United States was not a signatory to the agreement, it would continue its military support to UNITA. That group, through its guerrilla warfare, has caused immense suffering to the people of Angola and destroyed the economic and social facilities on which a "brighter future" largely depends.

The CIA plane loaded with arms for UNITA that crashed in Angola on Nov. 27 *(IHT, Nov. 30)* is more than clear evidence that the United States continues to promote the doctrines of violence. Washington may not approve of the Angolan government, yet it has no right under international law to interfere in the internal affairs, or to violate the territorial integrity, of an independent state, which happens to be a member both of the United Nations and the Organization of African Unity. Imagine the scandal if a plane belonging to an African country were to enter the United States illegally loaded with weapons.

MARGA HOLNESS.
London.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

GENERAL NEWS

A Deal Is Reported On Exile for Fang

Compiled by Our Staff From Dispatches

HONG KONG — China will allow Fang Lizhi, the political dissident who took refuge in the U.S. Embassy in Beijing in June, and his wife to leave for Australia on Jan. 27 under the terms of an agreement among Beijing, Washington and Canberra, a magazine reported here Tuesday.

The semimonthly Pai Shing said a preliminary understanding to this effect was reached during a visit to Beijing in December by the U.S. national security adviser, Brent Scowcroft. The agreement was later approved by the senior Chinese leader, Deng Xiaoping, it said.

The magazine, considered well-informed on Chinese matters, did not reveal the sources for its article.

The American and Australian consulates in Hong Kong both declined to comment on the report.

Mr. Fang, one of China's leading dissidents, and his wife sought asylum in the embassy after troops crushed pro-democracy demonstrations in Beijing on June 4.

The magazine said the case was also taken up during a visit to Beijing by a special Australian envoy, Michael Costello, on Dec. 19.

Officials at the Australian Embassy in Beijing said Tuesday that they had "no knowledge" and "no reason to give any substance" to the magazine's report.

The Foreign Ministry in Canberra also said it had no knowledge of the possibility of Mr. Fang seeking asylum in Australia.

Pai Sheng said Mr. Deng had approved sending Mr. Fang and his wife, Li Shuxian, to a third country on the condition that he refrain from any political activities.

Australia was selected because of its close ties with the United States, the magazine said.

The magazine said a research group in Italy, of which Mr. Fang, an astrophysicist, is a leading member, would probably extend an invitation for the scientist to pursue his work there.

(AFP, Reuters)

Reuters

A magazine said Fang Lizhi and his wife would leave for Australia.

On Beijing Campuses, Echoes of Dissent

By Steven Erlanger
New York Times Service

BEIJING — At one of the elite universities here not long ago, students were subjected to another of a series of propaganda films intended to ensure the reindoctrination of China's future leaders along the correct Communist road.

These same students had led "the counterrevolutionary rebellion" that was crushed in June, and have since been subjected to numbing sessions of political education.

The film that evening, "Wei Wei Kunlun," which translates roughly as "Towering Mountain," depicted China before the Communist takeover in 1949.

A scene of a demonstration being violently broken up brought cheers, because unlike last June no tanks were used.

Party officials asked the students why they had applauded. "Because it was such a good film," they said.

Stories of quiet mockery of this sort are common on the campuses.

The slogan "Only socialism can save China" has been slightly altered to: "Only without socialism can China be saved."

Freshmen at Beijing University have been sent to Hebei Province for a year of military and political training. Older students say that when the freshmen return they will practice "peaceful evolution" on them — the party catchphrase for the supposed capitalist strategy to undermine Chinese communism through the introduction of alien cultural influences.

One upperclassman, a party member, said: "We will pass on to them their proper education in the four evils" — excessive eating, drinking, gambling and promiscuity. He seemed quite serious about the task.

The rapid changes in Eastern Europe, and especially the overthrow and execution of Nicolae Ceausescu, the Romanian dictator who was a longtime ally of the Chinese leadership, have brought a few daring gatherings and posters.

Like the mockery, they are indicative of a lasting disgust and a resoluteness of spirit largely untouched by the ideological reins being tightened everywhere in intellectual and academic life.

But while the investigations are winding down and students and teachers await the party's judgments on punishment, there is much mistrust and a general depression about the future. All this argues against any rapid re-emergence of the sort of protests that electrified the world last spring.

The unexpected death of a prominent figure like Deng Xiaoping, the country's senior leader, or Zhao Ziyang, the party leader who lost his job after showing some sympathy with the protesters, could create a pretext for students to again gather and march.

But few believe the leadership would react a second time with so much confusion and delay.

Among many students there is a self-imposed cap on political discussion, and an aimless escapism. There are increasing experiments in casual sex and alcohol abuse.

"We're watching trashy movies and reading trashy novels," a student said. "Sidney Sheldon is very popular now, and so is 'I'll Take Manhattan.'"

Students speak of a sense of isolation from the larger society.

"The campus is a very small world," one said. "It's like living in a cage, and you feel watched all the time."

People are "depressed and discouraged," the student added. "Life seems meaningless now, and they are cynical. They feel bored. Life is boring if you're in school or out, boring if you have a boyfriend or not, boring if you work or not."

Students still speak of politics to their closest friends, "but that gets boring, too," the student said. "We don't disagree about anything. We all want change. But politics once again seems like empty talk."

The analogy of Romania frightens the government, another student said.

"All the killing frightens us, too. We don't think the Chinese Army will crack so quickly as in Romania, and many more could die."

Most students, one said, had made less than fully forthcoming self-criticisms and protected their friends. There is a feeling that many teachers and deans also are protecting the students.

"But there are a lot of people who participated and have something to hide," the student said. "So people don't trust one another. It is one of the biggest successes of the government."

Some students said many wanted either to go abroad or to make a lot of money and live an easy life. Everyone seems to be learning English and trying to pass the language examinations required to study overseas.

But freshman are now judged too young to study abroad. Graduating students are told they must stay in China and work off their debt to society.

"It's a way of keeping people here," an instructor said.

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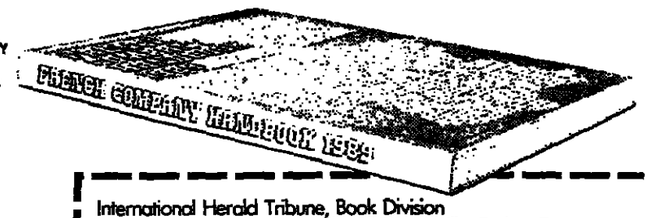

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Stoically, Poles Make the Leap To Capitalist Price Increases

By Steven Greenhouse
New York Times Service

WARSAW — The government's landmark economic program to move Poland toward capitalism went into full force Tuesday, and Poles were shaken but optimistic as ham prices jumped 55 percent and coal prices for households rose 600 percent.

These price rises, along with those for bread, gasoline, tractors and railroad tickets, are the result of a crash program that aims to transform Poland into Eastern Europe's first market-oriented economy.

Despite the staggering increases, many Poles were confident that the government's audacious program would achieve its goals: abandoning communism, reviving Poland's ailing economy, stabilizing its currency and ultimately stifling its inflation.

"These new prices will be very difficult for me," said Jan Zaremba, a worker at a furniture company, as he filled his tiny Polish Fiat with gasoline, which cost twice as much Tuesday as it did on Dec. 31. "The next half-year will be tough, but what other choice do we have to try to get out of our economic crisis?"

The program also aims to make Poland the first East European nation with a convertible currency. Tuesday, the government for the first time made the zloty freely convertible to companies doing business in Poland.

The program was rushed through the National Assembly last week and put into effect as quickly as possible. The Solidarity-led government is convinced that the longer the nation waits to administer strong medicine to its economy, the worse the crisis will become. Last autumn, Poland suffered from inflation of more than 500 percent, and industrial production fell.

The government expects inflation to surge this winter as it lifts almost all price controls and cuts subsidies to consumers and industries. Afterward, however, it hopes that inflation will subside to tolerable levels.

Among the price increases that went into effect Tuesday: 38 percent more for bread, 105 percent more for tractors, 100 percent more for telephone calls and 400 percent more for household electricity.

"This may be the toughest time ever for the Polish people," said Finance Minister Leszek Balcerowicz, chief author of the economic plan, in an interview published Tuesday in the official government newspaper. "If we go through this difficult period together, then we will be able to build the kind of national economy we all want for Poland."

Mr. Balcerowicz has spent much of the last 48 hours speaking on radio and television to explain his vision of how to turn Poland into a Western-style economy. He has urged forbearance from a people accustomed to sacrificing for causes they believe in.

"I think it's good you have these price increases," said Krzysztof Kowalczyk, a car mechanic, as he left a butcher shop whose shelves were nearly bare. "It's the only way to stop all this mess once and for all."

On Wall Street, Humility Is In

Reality Has Tamed the New Young Financial Whizkids

By Sarah Bartlett
New York Times Service

NEW YORK — For years, Wall Street has been a beacon of wealth and glamour for talented young people willing to work punishing hours for mind-boggling pay. Today, as Wall Street shrinks back to life-size proportions, the game has shifted to making a living, not a killing.

In the process, the flamboyant lives captured in best-sellers like Tom Wolfe's "Bonfire of the Vanities" and Michael Lewis' "Liar's Poker" are being replaced by a more subdued, sober culture.

The "Masters of the Universe," as Mr. Wolfe dubbed Wall Street's young dealmakers, are being tamed.

As layoffs and lower incomes take their psychological toll and investment bankers realize their MBAs and Hermès ties no longer guarantee a bright future, a new Wall Street persona is emerging.

The character of the 1990s is likely to be humbler, more serious and conservative, less given to flights of fancy or self-promotion.

The atmosphere is already changing. Young dealers no longer linger after work in comradely fashion, but rush to the safety of their homes. Traders complain about working amid a sea of empty desks. Year-end bonuses provided the latest blow to self-esteem: Many found their pay packets reduced by 30 percent or more.

"There's a fair degree of paranoia," said Patrick J. Dunlavy, a managing director at Salomon Brothers, who said he is often approached by younger employees seeking reassurance. "I think it's had a profound effect. You can see it in real estate, cars, vacations — everybody's a little more conservative about how they approach their life."

It is the layoffs in particular that have imposed the greatest emotional strain, driving a wedge between those who are still employed and their friends who were fired but have yet to find new jobs.

One bond salesman in a regional office sat and watched as his fellow workers shrank from 15 to 4. "People are incredibly depressed," said an investment banker in his mid-30s. "Everybody is talking about people who've been let go and wondering whether they're next."

That Wall Streeters would finally get their comeuppance seems only just to many onlookers. Few harbor great sympathy for those who earned half a million dollars or more a year, and spent it. Especially because, after the steep pay cuts that many now complain of, they still earn more than most families.

On the other hand, the loss of job and income can be as psychologically wrenching for wealthy investment bankers as it is for steelworkers. The adjustment for refugees from Wall Street is conceivably even more difficult because of the heights from which they fell.

Many grew up, after all, in the boom years of the mid-1980s, when the stock market was soaring and takeovers generated billions of dollars in fees.

Wall Street firms were expanding their work forces by 20 percent or more a year and throwing money at anything that moved. Those who got pulled into that whirlwind found they could do no wrong.

The sudden rush of wealth and status that resulted was perhaps best captured in the film "Wall Street," with Charlie Sheen and Daryl Hannah gliding around the high-tech kitchen of their penthouse, sipping white wine and making fresh pasta and sushi to the tune of the Talking Heads.

Seated at their dining room table afterward, staring at the wonders they had wrought, Mr. Sheen whispers: "It's too perfect. Let's not even eat. Let's just watch it, think about it." His comment seemed aimed more at life than at sushi.

Although Mr. Sheen's character "made it" with the help of a little insider trading, Wall Street several years ago was generous to almost anyone.

Looking back on it, investment bankers say that for many it was a case of being in the right place at the right time. "All many people needed to do was be reasonably well dressed, with a clean, well-scrubbed face, and know how to use a PC," said Stephen A. Schwarzman, president of Blackstone Group, a New York investment firm.

"The era made mediocrities look like geniuses," said Mr. Schwarzman, who considers himself an old-timer. "Now you actually have to do something to make money, as opposed to just being alive."

Investment bankers of the future, Wall Street executives say, will work harder and keep their heads down. They will complain less often about higher pay at other firms, like Drexel Burnham Lambert Inc., and brag less vociferously about their multimillion-dollar condos.

"For those who remain, there will probably be a different style," predicted Paul K. Kelly, president of Peers & Co., a New York investment firm. "This self-promotional, PR type is probably gone."

Recruiters at several Wall Street firms said that new candidates coming out of business school will reinforce this trend, for they are a different breed altogether.

Those who choose the securities industry today are more likely to be interested in the field of finance and relish the challenges of that business.

HAVEL: *Visit to Germany*

(Continued from page 1)

suggested that a confederation could develop between the two German states, Mr. Havel was cautious, saying that this should occur only in an "all-European" context.

With Mr. Gerlach, Mr. Havel called for an international discussion of Germany's future at a meeting later this year of the 35-nation Conference on Security and Cooperation in Europe.

"We have come to Germany because we want to make an important contribution to a united Europe," said Mr. Havel, who was accompanied by Prime Minister Marian Calfa and Foreign Minister Jiri Dienstbier.

He said he had not been invited to visit Washington or Moscow.

Vladimir Kusin, a senior analyst of Czechoslovak affairs at Radio Free Europe in Munich, said that Mr. Havel, by going to Germany first, "was not establishing any Czech-German axis, but he was showing that he is a man unencumbered by Communist ideological thinking." He added, "It would have sent the wrong signals to go to Moscow first."

As a playwright, Mr. Havel has had close and warm ties to German-speaking nations. Although he was banned from traveling to the West for many years, his plays have frequently been translated, published and performed in West Germany and Austria.

In East Berlin, Mr. Havel laid a wreath at a memorial to victims of fascism. Then, after a quick trip to Munich, he spoke to West German leaders about the strained relations between the two peoples since the Nazis took over Czechoslovakia, annexing it into the Third Reich in 1939.

The West German president, Richard von Weizsäcker, who invited Mr. Havel to Munich, spoke of the historic "suffering and injustice" that Germany had delivered upon the Czechoslovaks. Their meeting, he said, showed that "we are coming to terms with the past."

After a brief session with Mr. Havel, Chancellor Helmut Kohl pledged financial and other support to the liberalization process in Prague.

Calling Mr. Havel "a spirit with deeply European character," Mr. Kohl said that the West Germans were acutely aware that the success of the East German movement for change would depend on progress in Czechoslovakia, Hungary, Poland and the Soviet Union.

Mr. Havel said he saw his country's relations with both Germanys from a "fully new horizon."

Repeating the words of President John F. Kennedy, Mr. Havel declared himself a Berliner, but "in a new era and in a new context."

After a short visit to the Berlin Wall, he called for the removal of all remaining barriers in Europe.

(WP, AFP)

The Associated Press

HITTING THE ROAD — Paul McCartney performing Tuesday at the National Exhibition Center in Birmingham, England. It was his first concert in Britain in a decade.

ROBOTS: *Life Is Looking Up*

(Continued from page 1)

development engineers, who make up one-third of the company.

"At Fanuc, we place research and development at the base of management," he said.

His employees live in a nearly all-yellow environment. Within the factory grounds, there is family housing and separate yellow dorms for single men, single women and married men living away from their families. Workers may stay past retirement, Mr. Inaba said, "until death."

Employees study flower-arranging and the tea ceremony in the Fanuc Cultural Center. They exercise in the yellow Fanuc gym, where opposing volleyball teams both wear yellow. They vacation in Fanuc lodges in Japan, Spain and Wisconsin.

Like many Japanese companies, Fanuc strives for ever-expanding market share and higher profits.

The results are impressive: 70 percent of Japan's market and about half the world market in numerically controlled machines, a world-leading position in robots along with ABB Asea Brown Boveri Ltd., the Swiss-Swedish engineering giant, and joint ventures with General Motors Corp. and General Electric Co. to supply robots and robot technology.

In its most recent financial year, recurring profits climbed 37.6 percent, amounting to 32 percent of sales. And growth is strong again this year, securities analysts say.

Now Mr. Inaba is aiming for robots with "artificial intelligence," machines that not only can perform dirty, dangerous and repetitive tasks, but can study problems and make decisions. He said he hopes to commercialize such devices by early in the 21st century "at the latest."

Meanwhile, the future is bright for Fanuc and today's robots of drudge. Already, according to the Japan Industrial Robot Association, Japanese companies employ 68 percent of the world's robots — 175,000 compared with 33,000 in the United States.

The trend is clear. Japanese companies, pressed by a labor shortage and a quest for greater efficiency, are spending more than ever on automation and rationalization. Manufacturing companies are increasing their capital investment by nearly 22 percent this year, according to a recent survey by the Economic Planning Agency, far above the U.S. rate.

In the robot assembly factory, Fanuc Robot A and Fanuc Robot S are preparing to respond. For days at a time, while workers come and go, they exercise their arms and test their joints in a kind of self-inspection. Customers can expect them to break down less than once every four years, the company says.

"For robots, we are No. 1 in the world," said Mr. Kato. "We think we have a big future."

Indian Cold Wave Kills 109, Mostly Homeless

Agence France-Presse

NEW DELHI — At least 109 people, most of them believed to be homeless, have died across northern India in a cold spell that has frozen mountain lakes, burst water pipes and slowed transportation services, news reports said Tuesday.

The Press Trust of India said the death toll had risen to 87 in the eastern state of Bihar, 17 in northern Uttar Pradesh and five in western Gujarat. It gave no details of the deaths, but most are believed to be the homeless.

Leaking Gas Kills 7 in Italy

The Associated Press

CLAVIERE, Italy — Five Italians were killed when a water heater leaked gas overnight in their vacation apartment in this Alpine resort near the French border, the police said Tuesday. In a separate incident in the Alto Adige region, two West Germans died Sunday when a gas stove malfunctioned.

BLOC: *First Phase in East Europe*

(Continued from page 1)

servers believe that its politics will reflect the interests of populations that now are mainly middle class and blue-collar.

In the initial phase, that may not bode well for Western-style conservative parties. East Europeans appear to support freer markets and economic changes that will bring a stable supply of consumer goods, but they are reluctant to part with extremely generous child care, maternal leave, unemployment and other social benefits.

Many Czechoslovaks say they are attracted to a kinder, gentler, "Scandinavian" version of Western democracy. Mr. Havel has said that Czechoslovakia should not slavishly copy the Western model.

But if Western-type conservative parties have trouble in the first phase of democratization, observers say this is nothing compared to the Communists' uphill battle.

Faced with fragmented opposition, East European Communists may yet be able to regroup sufficiently to make a respectable showing in some areas, but this appears increasingly doubtful.

"The reform Communists are whistling in the dark," said Zbigniew Brzezinski, the former U.S. national security adviser and a long-time student of East European affairs. "They won't be big players. I think they'll be wiped out everywhere in the coming elections. People in this country don't understand the extent of political resentment against Communists in East Europe. They don't understand the extent to which those regimes were artificial creations."

Romanians tore the Communist emblem out of the center of Romanian flags last week, and protesters poured into Palace Square in Bucharest chanting, "No more communism." Some provincial leaders of the uprising said they would not accept the provisional regime.

In Poland, Communists won only one out of 261 contested seats in parliamentary elections in June. One early poll ahead of local elections set for spring shows Communist candidates getting only 3 percent of the vote.

Imre Pozsgay is running for president of Hungary as a member of the Socialist Party, the successor of the Communist Party, which was dissolved in October. A popular reformer, Mr. Pozsgay once was seen as a runaway favorite. But U.S. and East European analysts say his lead has slipped as other parties have become better organized.

The East European Communists with the best chance of winning broad support may be those who are in a position to appeal to nationalistic instincts. Milan Kucan is the popular Communist leader in Yugoslavia's northernmost republic, Slovenia, where multiparty elections are scheduled this spring. He is seen as a strong defender of Slovene rights within the multinational Yugoslav federation.

Western analysts describe the new breed of progressive Communists who have come to the fore in many East European countries as an interesting and talented group of men. Several opposed Stalinist policies long before it was prudent — or even safe — to do so.

The new East German party leader, Gregor Gysi, 41, a lawyer, spent recent years defending reformers and dissidents. Andrei Lukanov, 51, a new member of the Bulgarian Politburo, appears to back free-market changes and was willing to meet with dissidents.

Among the most intriguing of the group is Romania's new provisional president, Ion Iliescu, 59, who had been demoted for openly criticizing Nicolae Ceausescu before the former president's recent ouster and execution. Daniel N. Nelson, an expert on Romanian affairs who held several conversations with Mr. Iliescu in 1973, describes him as a remarkably frank and open-minded man.

A common thread joining a number of these progressives is that their parents became Communists in the more idealistic, risky era of the 1930s and 1940s, when the party was fighting fascism.

Mr. Gysi's father was a member of the German Communist Party in World War II and fled to France. Mr. Iliescu is the son of a founder of Romania's small, prewar Communist Party, many of whose members fought in the International Brigades in the Spanish Civil War.

Ivica Racan, the new head of the Communist Party in Croatia, which voted last month to accept free elections, was born in Leipzig, Germany, during World War II while his parents were working in a Nazi labor camp. Vasil Mohorita, 37, one of the new Czechoslovak party leaders, was brought up in what he calls "a Communist family in which my parents never profited from being party members."

In the case of those men, there is a long, if slender, thread to a time when Communists in Eastern Europe were outsiders fighting for high ideals of justice. In such old-time Communist families, there may be a sense of betrayal at the hands of Moscow-backed Stalinists who imposed bureaucratic police states across Central Europe.

But many Western observers believe it may be too late for a comeback by these men or their party, given the outpouring of resentment against Communist corruption, mismanagement and police terror.

Much of the Communist history of Eastern Europe is yet to be told. Czechoslovaks have begun investigating which of their fellow citizens collaborated in the 1968 Soviet-led invasion. Hungarians want to know which Romanian Communists were involved in the kidnapping of the leaders of the 1956 Hungarian uprising.

"How many leading Communists can be sure they won't be implicated?" Mr. Brzezinski asked. "How many can truly claim they weren't involved in bad things that happened in the 1950s? When the trials of the Stalinists come up, anti-Communist emotion will be whipped up. If democracy falters, you will have this to revive it."

25 Wounded in Attack On Police in Argentina

Reuters

BUENOS AIRES — Twenty-five persons were wounded during a two-day riot after hundreds of people attacked a police station where officers were too busy celebrating the New Year to search for a missing girl, local news reports said Tuesday.

Policemen opened fire on the attackers, who set 17 cars on fire, the reports said. Extra police were called to Tres Arroyos, 600 kilometers (370 miles) south of the capital, to control mobs who stormed the station after finding the body of Nair Mustafa, 9, who had been raped and strangled.

LONDON THEA[TER]

A Surviv[al Guide] For the W[inter]

By Sheridan Morley
International Herald Tribune

LONDON — As the only major London theater opening over the Christmas and New Year recess [ha]s been a somewhat lackluster re[viv]al of "Thark" at the Lyric Ham[mer]smith, a haunted-house farce [b]y Ben Travers that badly shows its [ye]ars despite memorably dead[pan] performances from Griff [Rhys]-Jones and Dinsdale Landen, [I] thought this might be the moment [to] answer that most frequent of [rea]ders' requests, for a summary [no]t just of any given week, but [mo]re generally of what is now play[in]g in and around the West End.

What follows is a personal list[in]g, in no special order other than alphabetical. The hottest tickets are [st]ill for the Lloyd Webber and [Bou]blil/Schonberg musicals, but [ticke]t agencies and hotel hall-por[ter]s can sometimes work wonders […] with them in mid-January, [aft]er the holidays are over and be[for]e the next tourist season starts. [Alt]ernatively, you could just brave [th]e box-office queues, and don't [for]get that the cut-price-ticket [bo]oth in Leicester Square sells, for [ca]sh only, on the day of the perfor[man]ce, any unsold tickets for that [eve]ning's shows. It opens at noon for [mati]nees and 2 P.M. for evening performances.

"Another Time" (Wyndham's): Strong cast (Albert Finney, Janet Suzman, Sara Kestelman) in Ronald Harwood's patchy play about [a]rtists and South African consciences, past and present.

"Anything Goes" (Prince Edward): Elaine Paige radiant in the London staging of the Lincoln Center hit for Old King Cole Porter.

"Aspects of Love" (Prince of Wales): Currently auditioning for Broadway. Andrew Lloyd Webber's latest score is his most adult and marks the growing-up of the London stage musical, a Sondheim-esque love story set in the south of France.

"The Baker's Wife" (Phoenix): Despite some shamefully dismissive reviews elsewhere, this remains the

MEDIA

Who's W[atching]

By Mark Zussman

PARIS — As an instrument for keeping human beings in line, the TV screen that we watch in the privacy of our living rooms, or through our [ey]es in our bedrooms at night, has turned out to be at least as powerful as the eye that Orwell imagined. But now the shrillest cries of Grand [Frè]re, or Big Brother, are being raised in the French press over a new audience-measuring device that will watch us while we watch our TV screens.

The device, which has been christened Motivac and which, by the end of November, had been installed in 1,475 French households, scans a room once every two seconds and, by means of a photonic sensor that perceives human bodies as fields of pulsating light, can literally count the number of bodies in a room; distinguish men from women from children; family members from guests; and constantly updates the total number of viewers. And for the first time does these things "passively" —

ACROSS

1 Marten's fur
5 Cudgel
10 Heal
14 Earthly, to a poet
15 Singer Coolidge
16 Decorate anew
17 Make merry
20 Naive
21 Mollifies
22 Bridge ace Culbertson
23 Hr hard
25 Reserved, retiring
29 Frolics
30 Incite
31 Asian perch
32 Delight
35 Carouse
36 Flat's —— Largo
40 Adlai's running mate 1956
41 Sacrament
42 Admitted
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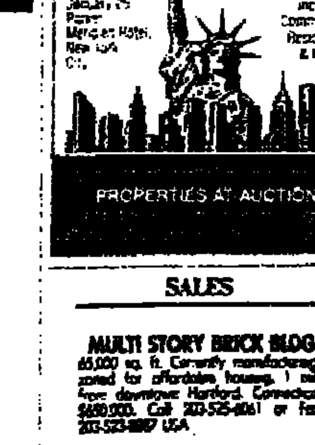

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STAGE/ENTERTAINMENT

LONDON THEATER

A Survival List For the West End

By Sheridan Morley
International Herald Tribune

LONDON — As the only major London theater opening over the Christmas and New Year recess has been a somewhat lackluster revival of "Thark" at the Lyric Hammersmith, a haunted-house farce by Ben Travers that badly shows its 60 years despite memorably deadpan performances from Griff Rhys-Jones and Dinsdale Landen, I thought this might be the moment to answer that most frequent of readers' requests, for a summary not just of any given week, but more generally of what is now playing in and around the West End.

What follows is a personal listing, in no special order other than alphabetical. The hottest tickets are still for the Lloyd Webber and Boublil/Schonberg musicals, but ticket agencies and hotel hall-porters can sometimes work wonders even with them in mid-January, once the holidays are over and before the next tourist season starts. Alternatively, you could just brave the box-office queues, and don't forget that the cut-price-ticket booth in Leicester Square sells, for cash only, on the day of the performance, any unsold tickets for that night's shows. It opens at noon for matinees and 2 P.M. for evening performances.

"Another Time" (Wyndham's): Strong cast (Albert Finney, Janet Suzman, Sara Kestelman) in Ronald Harwood's patchy play about artists and South African consciences, past and present.

"Anything Goes" (Prince Edward): Elaine Paige radiant in the London staging of the Lincoln Center hit for Old King Cole Porter.

"Aspects of Love" (Prince of Wales): Currently auditioning for Broadway, Andrew Lloyd Webber's latest score is his most adult and marks the growing-up of the London stage musical, a Sondheim-esque love story set in the south of France.

"The Baker's Wife" (Phoenix): Despite some shamefully dismissive reviews elsewhere, this remains the greatest American musical never to have reached Broadway (it closed in Boston a decade ago), and Trevor Nunn has given Stephen Schwartz's superlative scoring of the old Pagnol movie a superb London premiere.

"Barnaby and the Old Boys" (Vaudeville): Keith Baker writing and starring in a hothouse account of a Welsh Christmas family reunion to which one brother brings his black, male American lover.

"Blood Brothers" (Albery): Willy Russell's great, dark, Liverpool folk tale of doomed twins, the nearest we have ever got to an English "Threepenny Opera."

"Cats" (New London): Now and forever, as they still say on the posters.

"Diversions and Delights" (Playhouse): Donald Sinden following in the footsteps of Robert Morley, Micheal MacLiammoir and Peter Finch for a new solo Oscar Wilde show.

"Jeffrey Bernard Is Unwell" (Apollo): Peter O'Toole in vintage, legless form as the self-proclaimed alcoholic journalist and gambler who writes a celebrated London magazine column from which these autobiographical mutterings are drawn.

"Les Misérables" (Palace): More than four years in the West End and already in 30 other cities, the Boublil/Schonberg epic from Victor Hugo still towers above all other London musicals.

"A Life in the Theatre" (Strand): Denholm Elliott in masterly performance as the waspish old actor in David Mamet's backstage satire, written with sticks of greasepaint dipped in vitriol.

"A Little Night Music" (Piccadilly): Dorothy Tutin, Lila Kedrova and Susan Hampshire up from Chichester in Sondheim's chamber-opera.

"M. Butterfly" (Shaftesbury): Peter Egan now starring in David Henry Hwang's amazing transvestite-espionage drama.

"Me and My Girl" (Adelphi): The old 1930s Lambeth Walk hit, still dancing.

"Miss Saigon" (Drury Lane): Hugely spectacular staging, complete with flying helicopter, of the marvelous Boublil/Schonberg update of "Madame Butterfly" to the Vietnam War. Jonathan Pryce in the performance of his career as the Saigon pimp in Nicholas Hytner's staging, due for Broadway in late 1990.

"Our Country's Good" (Garrick): West End transfer from the Royal Court for Timberlake Wertenbaker's award-winning account of the first Australian convict settlers rehearsing "The Recruiting Officer" 200 years ago.

"Phantom of the Opera" (Her Majesty's): Martin Smith and Jill Washington now star in Lloyd Webber's chandelier show.

"Prin" (Lyric): Sheila Hancock in stunning star performance as a lesbian teacher in a professional and personal trauma.

"Return to the Forbidden Planet" (Cambridge): Surprise hit of the autumn, a rock-musical version of "The Tempest."

"Shadowlands" (Queen's): Nigel Hawthorne and Jane Lapotaire heartbreaking in a story of the writer C.S. Lewis's late-life discovery of his love for a dying American.

Gary Smith

Griff Rhys-Jones in Ben Travers's "Thark."

Sex, Love and Susan Sarandon

By Ellen Futterman

ST. LOUIS — "You've *caught me on a day when* I'm looking particularly bouffanty," says the actress Susan Sarandon, fluffing a headful of loose curls with one hand, reaching for a pack of cigarettes with the other. She pulls one from the pack and lights it — her fourth in 25 minutes.

She explains that although she is not a smoker, her character — Nora Baker — is. Nora chain-smokes, in fact, and drinks her vodka tonics with similar alacrity. Other of her penchants include country music and Marilyn Monroe.

"Nora is a survivor, and I really like that about her," says Sarandon. "I'm not interested in playing characters who wallow in their problems. Nora's out there grappling with her life, fighting to survive. I can relate to that because I am a survivor, too."

Sarandon has come to St. Louis to shoot "White Palace," which also stars James Spader, who won the best actor award at last year's Cannes Film Festival for his role as an impotent voyeur in "Sex, Lies and Videotape."

While essentially a love story, "White Palace" asks the age-old question: Can a nice Jewish boy from an affluent suburb of St. Louis find happiness with a boozy, lustful hamburger-stand waitress 16 years his senior?

AT this point, no one is sure. But today Max, the nice Jewish boy played by Spader, is picking up Nora at her dilapidated fake-brick bungalow in a neighborhood called Dogtown to bring her to Thanksgiving dinner at his best friend Horowitz's house, where she will not only meet Horowitz and his wife but also Max's mother.

"That's why I want to look my best," says Sarandon, explaining her pouffed hair, the color of which she describes as "cheap red." "Most of the time, I look pretty awful in this film. I'd love to do a movie where I want the wardrobe. That hasn't happened to me in a long time."

"White Palace" is based on a book of the same title by a first-time novelist, Glenn Savan, a native St. Louisan. It is being directed by 35-year-old Luis Mandoki, a native of Mexico City. Mandoki's only other American feature film to date is "Gaby — A True Story," based on the life of Gabriella Brimmer, who grew up battling cerebral palsy.

The 1987 film, which garnered critical praise but realized little commercial success, starred Liv Ullmann and Norma Aleandro, who received an Academy Award nomination for best supporting actress.

"We felt 'Gaby' had a lot of sensual qualities about it," says Amy Robinson, one of the five producers of "White Palace," in explaining the choice of Mandoki. "Luis took subject matter that in other hands could have been a typical movie of the week and made it much more than that. We wanted a director who could bring depth and detail to the characters and also truth to the sensuality of the piece."

Shortly after Mandoki was hired as director, he met with Sarandon to discuss her portraying Nora in the film. At the time, Sarandon was pregnant and didn't think she would be available when shooting was to begin last March.

But then the threat of an actors' strike and difficulty in casting the male lead for the film postponed the production. Initially, dozens of actors read for the part of Max, but none, including Spader at first, seemed quite right.

James Spader and Susan Sarandon in a scene from "White Palace."

"Jimmy read in the beginning, but he didn't seem Jewish enough until he won at Cannes," says Sarandon, who is 42. "The studio wanted an actor that was hot, and I was concerned about getting a good character actor that young. Everyone read for the part, from Kevin Bacon to Rob Lowe, and all those young actors with two first names.

"The producers kept insisting that the actor be much younger than me. After 'Bull Durham' it didn't seem odd enough for me to be with someone in his late 20s or early 30s. That mattered less to me than how the socio-economic differences between the two characters came across on the screen, but I seemed to be the only one who felt that way."

AFTER Spader was turned down initially, he made a film with Rob Lowe last summer called "Bad Influence." Then, in mid-August, after the producers and Mandoki saw "Sex, Lies and Videotape," Spader met again with them and was offered the part.

Robinson and a co-producer, Mark Rosenberg, say they saw a range in Spader's performance in "Sex, Lies and Videotape" that convinced them he was the right choice for Max.

"Admittedly, the fact that he won best actor award for a picture that won the Palme d'Or gave us a bit more security that he had more marquee value than in the past," adds Rosenberg. "That's always a partial consideration."

"I'm not sure what attracted me to Max," says the 27-year-old Spader. "I keep trying to come up with some answers that make sense. I suppose I responded to what his life is all about. I like what happens to the characters in the story. And I thought it would be sort of interesting to fall in love with Susan."

Although Sarandon and Spader had never met before filming began here, it is not unusual for them to walk onto the set holding hands like a couple of old school chums. Each speaks highly of the other's abilities.

For the eight-week shoot, both brought their families to St. Louis, including infant sons born only a few months apart. "Sometimes when we finish the sex scenes at the end of the day, Jimmy will say, 'O.K., now it's time to go back to the kids,'" adds Sarandon.

Ellen Futterman, a columnist and feature writer with The St. Louis Post-Dispatch, wrote this for The New York Times.

MEDIA

Who's Watching Television: Orwell, Six Years Later

By Mark Zussman

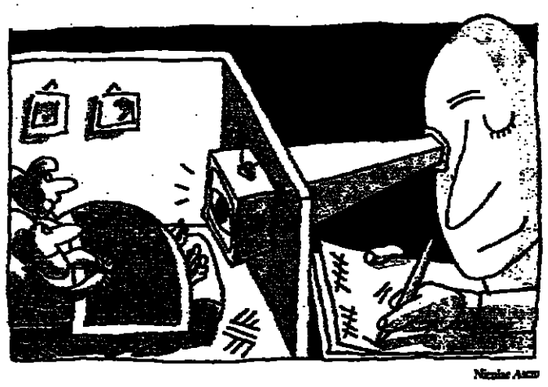
PARIS — As an instrument for keeping human beings in line, the TV screen that we watch in the privacy of our living rooms, or through our toes in our bedrooms at night, has turned out to be at least as powerful as the eye that Orwell imagined. But now the shrillest cries of *Grand Frère*, or Big Brother, are being raised in the French press over a new audience-measuring device that will watch us while we watch our TV screens.

The device, which has been christened Motivac and which, by the end of November, had been installed in 1,475 French households, scans a room once every two seconds and, by means of a photonic sensor that perceives human bodies as fields of pulsating light, can literally count the number of bodies in a room; distinguish men from women from children; family members from guests; and constantly updates the total number of viewers. And for the first time it does these things "passively" — that is, without its subjects having to push buttons or mark charts or nod at the scanner in some proscribed manner.

According to Jean-Louis Croquet, the French market-research bad boy who is the principal developer of Motivac and who is out to conquer the world with it, the device also is able to tell who's really watching, who has the television on but in fact is doing the dishes or vacumming, and who's just taking a nap.

Using regular telephone lines, Motivac monitoring devices all over France constantly transmit data to a processing center in Aix-en-Provence, where a computer spins out graphs reflecting the ebb and flow of audience share for each of the six French networks; this information can then be passed along to subscribers — be they advertisers, ad agencies, or the television networks themselves — for instantaneous feedback on what's working and what isn't.

"Amazing," exclaimed Carlo Freccero, the flamboyant Italian leftist intellectual, who for the past several years, has held the unlikely position of director of programming for France's Channel Five. Freccero recently took a ride out to Croquet's high-tech headquarters on a low-tech street in the Paris suburb of Virofley, and spent an hour watching the jagged pink line that reflected his own audience's alternating attentiveness and impatience, as it rose and fell alongside the equally jagged red and green lines of TF1 (Channel 1) and Antenne 2 (Channel 2).



Nicolas Assia

Croquet, his tie loose, a cigarette growing from his fingertips, stood nearby clucking out his brainchild's strong points: "It will work in no more light than you get off of an old black-and-white movie on the TV screen. You can have six crazy soccer fans in the room, all jumping up and down, and you won't fool Motivac. Our margin of error is down around the three per cent level."

Motivac is the latest entry in the battle to dominate the French ratings game in the new climate of competitiveness which has come into existence since France phased in advertising on TV in 1968 (Channel 1), '71 (Channel 2) and '83 (Channel 3.) At stake is one to two percent of $2 billion in annual advertising budgets — and of course much more outside of France — that the big advertisers are willing to spend in order to insure that their 30-second spots not appear during shows that no one watches. The battle in France has until now been fought by gentlemen and ladies. Croquet, who at age 12 unloaded cauliflowers and artichokes in *Les Halles*, and who hawked the Herald Tribune on the Champs-Elysées, has recently entered the game as an American-style street fighter.

Motivac, moreover, is currently being tried out in Marseilles as a device for the surveillance of premature babies. It's being tested as an audience-measurement device in Spain, Italy and Britain, and Arbitron has recently committed itself to paying out $20 million to acquire 36,000 of the devices for audience measurement in the United States. The system has been operational in France only since September.

Croquet, who appears to suffer from a certain restlessness, is now running full speed ahead on a plan to develop a device for the passive measurement of radio listenership. "It will be about half the size of a pack of cigarettes," he says. "Of course, because of the incredible fragmentation of the radio audience, we will need a huge panel — perhaps some 10,000 households."

Even farther out at the visionary end of the spectrum, he has a scheme for the passive measurement of newspaper and magazine readership. "Here," he says, "the sticking point is a special additive we would have to get into the ink. It would increase the cost of ink by something like 12 percent."

Croquet, who says he means to be Europe's number one market researcher by the day the EEC's trade barriers fall in 1992, nevertheless insists that he will have the radio measurement system in place this year and the print measurement system operational next year.

But for all his outsider charm and seductiveness, Croquet is not without his detractors. At SOFRES-Nielsen, the venerable market research firm and poller in the Paris suburb of Montrouge, Deputy General Manager Jean-Paul Aimetti expresses skepticism about some of Croquet's more astonishing findings: that the real television audience is only about half the size of all previous estimates; that the prime time audience sits still for barely 15 minutes at a time; that the evening news in particular inspires manic "zapping" — which is the new French term for remote-control channel-hopping.

Not only do previous market studies tend to diverge from Croquet's findings and coincide with one another, says Aimetti, but they have been confirmed by independent auditors. Was Croquet's sample of French households chosen scientifically? Aimetti wonders. Does the system work as reliably as Croquet claims? Is he using the same criteria as everyone else for attention and inattention?

Motivac is able to tell who has the television on but in fact is doing the dishes or vacuuming.

SOFRES-Nielsen, like the other venerable French market researcher, Médiamétrie, has recently equipped its sample households with a push-button monitoring device, the shortcoming of which, everyone admits, is that viewers have to remember to hit it every time they get up to have a look in the fridge or answer the phone. The most sophisticated devices currently in use in the U.S. also depend on sample viewers' willingness to push buttons.

SOFRES-Nielsen, along with Nielsen, their North American partner, is now busily at work developing their own passive monitoring device at the David Sarnoff Research Center in Princeton. SOFRES-Nielsen executives claim, moreover, that their system, which will be operational in three to four years, will be better than Motivac, because it will employ a technology of digitalized imagery along with software that will permit the data processor to identify each member of a household positively.

So why not just put cameras in people's living rooms and bedrooms? The problem is that the market researchers are rapidly approaching the point at which they are destined to run afoul of the law. In 1978, the French government established an independent Commission for Information Science and Freedom, whose mandate is to insure privacy for individuals against the onslaught of the electronic intruders.

Marie-Christine Delcamp, the head of the commission's legal department, insists that the market researchers are being monitored closely. "To be sure, an individual joins a market research panel voluntarily, but part of our job is to protect that part of the population which is, let us say, the most fragile, the least well-armored intellectually, to protect itself."

On yet another front, Marie-Henriette Vigier, the general secretary of ANTEA, the national association of television viewers, pronounces Motivac and everything else like it "grotesque." ANTEA is only one of several consumer groups to have sprung up recently in response to the unleashing of the French airwaves, and its bywords are that television must respect the public and that excesses of violence and sexuality must be curbed.

Vigier's own grievance with the market research devices is that they are quantitative, not qualitative. "They measure the way people behave, not the way they think."

In France, where the technology of television audience measurement is developing faster than anywhere else in the world, people have also gotten into the habit of "interactivity" — or, of not waiting to be measured but rather talking back to their television sets whenever they feel like it. France is the country not only of the Motivac but of the Minitel, the miniature computerized communications system that operates by way of telephone lines.

ANTEA accordingly invites the television audience to use their Minitels to communicate their opinions on any show in any manner they please — code 3615 ANTEA. Antea will then pass these opinions on to appropriate authorities.

"Interesting," says Croquet, when asked about the ANTEA approach. "They have every right. But it's not audience measurement, it's not scientific."

Mark Zussman is a free-lance writer, and an author. He travels extensively.

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France	F.F.	1,500	830
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Great Britain	£	140	77
Greece (mail) hd.del. in Athens	Dr. Dr.	33,000 41,000	18,000 23,000
Ireland	£Ir.	155	85
Italy	Lire	420,000	231,000
Luxembourg	L.F.	11,000	6,000
Netherlands	Fl.	600	340
Norway (air) **hd.del.	N.Kr. N.Kr.	2,000 2,500	1,100 1,400
Portugal	Esc.	29,000	16,000
Spain (mail) ***hd.del. in Barcelona, Bilbao, Sevilla, ***hd.del. in Madrid	Ptas. Ptas.	32,000 32,000	17,600 17,600
		51,480	25,740
Sweden (air) **hd.del.	S.Kr. S.Kr.	2,000 2,500	1,100 1,400
Switzerland (air) **hd.del. Bern, Geneva, Lausanne	S.Fr. S.Fr.	455 600	255 330
Rest Europe, N. Afr., Mid. East	Ex-French Africa, $	470	260
Rest of Africa, Gulf States, Asia	$	620	340
Cent./Latin Amer.	$	540	295

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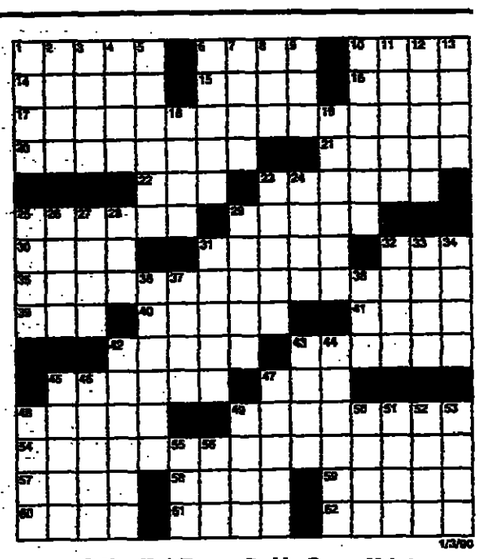

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ACROSS

1 Marten's fur
5 Cudgel
10 Neat
14 Swiftly, to a poet
15 Singer Coolidge
16 Decorate anew
17 Make merry
20 Native
21 Mollifies
22 Bridge ace Culbertson
23 Hit hard
25 Reserved; retiring
29 Frolics
30 Incite
31 Avian perch
32 Delight
35 Carouse
39 Fla.'s ——Largo
40 Adlai's running mate: 1956
41 Sacrament
42 Admitted
43 Kind of car or game
45 Run at full speed
47 Range of vision
48 Wall decoration
49 Deter from doing
54 Go on a spree
57 Stolen goods
58 Artifice
59 Moved gradually
60 Other
61 Long-billed bird
62 Spacious

DOWN

1 "The Square Egg" author
2 Ugandan exile
3 Famed organist-composer
4 Comparable to
5 Acclimates
6 Close friend
7 Fuzz
8 Western Amerind
9 Kind of relief
10 Gives medical aid to
11 Singer Della
12 Dawdled
13 Sphagnum, e.g.
18 Animal's skin
19 Succored
23 Writer Pasternak
24 Writer Ludwig
25 Mummer's cover-up
26 A double-reed
27 Moist
28 D D E.'s command
29 Tied the knot again
31 Daisylike flower
32 Lockup
33 Lyricist Harbach
34 North Sea feeder
36 Most recent
37 Anglo-Saxon laborer
38 Brun great
42 Mandarin or Temple
43 Jalapa coin
44 Rebuttal
45 Swimmer's stroke
46 Costa Rican statesman
47 Predatory birds
48 Cathedral's projection
49 An Amaz
50 Cause the ruin of
51 Jason's ship
52 Consider
53 Small whirlpool
55 Prefix with com or pod
56 Focal point

Solution to Previous Puzzle

H	E	L	P		L	A	M	B		C	H	E	W	
A	L	T	A	S		E	L	I	A		L	A	L	A
H	A	Z	Y	H	O	T	A	N	D	H	U	M	I	D
A	M	A		A	N	I	S	E		E	M	O	T	E
		S	K	I	N			W	A	P	N	E	R	
B	A	L	L	E	T		W	O	R	D	S			
A	B	E	A	R		L	I	K	E			N	A	E
B	L	O	W	S	H	O	T	A	N	D	C	O	L	D
Y	E	N			A	R	T	Y		I	O	W	A	N
		G	A	U	D	Y		L	A	M	I	N	A	
B	E	F	E	L	L			T	O	G	D			
A	L	O	N	E		S	P	E	A	R		A	R	I
W	I	N	D	C	H	I	L	L	F	A	C	T	O	R
L	O	D	E		E	L	E	E		M	O	O	L	A
S	T	A	R		F	L	A	X			G	M	E	N

MARKET DIARY

Via Associated Press Jan. 2

London Commodities

	Close Bid	Close Ask	High	Low	Previous Bid	Previous Ask
SUGAR U.S. Dollars per metric ton						
Mar	287.40	287.80	293.40	287.40	292.60	293.00
May	289.60	289.80	294.80	289.00	293.60	294.00
Aug	287.00	287.80	292.00	287.00	290.60	292.00
Oct	282.00	283.20	285.00	283.40	285.60	286.60
Dec	275.00	282.00	N.T.	N.T.	275.00	284.00
Mar	268.20	269.40	272.60	271.40	271.40	272.00
May	267.20	268.00	271.40	271.40	269.40	272.00

Volume: 1,019 lots of 50 tons.

COCOA Sterling per metric ton						
Mar	630	631	633	627	627	628
May	643	644	643	638	637	639
Jul	657	658	658	656	652	654
Sep	674	675	675	670	668	670
Dec	696	697	698	694	691	693
Mar	714	716	717	713	710	714
May	728	731	734	725	New	New

Volume: 2,559 lots of 10 tons.

COFFEE Sterling per metric ton						
Jan	628	630	630	621	630	633
Mar	645	647	648	636	642	643
May	661	662	662	650	654	655
Jul	675	676	676	665	665	666
Sep	692	693	695	684	685	687
Nov	708	710	N.T.	N.T.	700	705
Jan	725	730	720	720	720	725

Volume: 3,050 lots of 5 tons.

Paris Commodities

	High	Low	Close Bid	Ask	Ch'ge
SUGAR French francs per metric ton					
Mar	2,190	2,164	2,177	2,186	+ 15
May	2,210	N.T.	2,205	2,212	Unch.
Aug	2,270	2,265	2,255	2,270	+ 19
Oct	2,115	2,110	2,113	2,125	+ 19
Dec	N.T.	N.T.	2,053	2,070	+ 8
Mar	N.T.	N.T.	2,058	2,075	+ 3

Est. vol: 306 of 50 lots. Prev. actual sales: 1,192. Open interest: 13,084.

COCOA French francs per 100 kg					
Mar	N.T.	N.T.	—	620	— 40
May	N.T.	N.T.	—	625	— 40
Jly	N.T.	N.T.	—	630	— 40
Sep	N.T.	N.T.	—	650	— 40
Dec	N.T.	N.T.	—	680	— 40
Mar	N.T.	N.T.	—	690	— 40
May	N.T.	N.T.	—	710	Unch.

Est. vol: 0 lots of 10 tons. Prev. actual sales: 0. Open interest: 0.

COFFEE French francs per 100 kg					
Jan	N.T.	N.T.	—	590	— 5
Mar	N.T.	N.T.	—	605	+ 23
May	N.T.	N.T.	—	610	+ 18
Jly	N.T.	N.T.	—	625	+ 18
Sep	N.T.	N.T.	—	650	+ 22
Nov	N.T.	N.T.	625	670	+ 23
Jan	N.T.	N.T.	640	680	+ 20

Est. vol: 0 lots of 5 tons. Prev. actual sales: 0. Open interest: 173.
Source: Bourse de Commerce.

London Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Sterling per metric ton				
Spot	1631.00	1633.00	1627.00	1628.00
Forward	1634.00	1635.00	1629.00	1630.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1489.00	1490.00	1513.00	1514.00
Forward	1499.00	1500.00	1512.00	1514.00
LEAD Sterling per metric ton				
Spot	444.00	446.00	445.00	446.00
Forward	440.00	441.00	444.00	445.00
NICKEL Dollars per metric ton				
Spot	7875	7900	8250	8300
Forward	7625	7650	7775	8000
TIN Dollars per metric ton				
Spot	6730.00	6770.00	6934.00	6936.00
Forward	6870.00	6890.00	7050.00	7060.00
ZINC (High Grade) Dollars per metric ton				
Spot	1310.00	1320.00	1330.00	1310.00
Forward	1250.00	1260.00	1260.00	1270.00

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.73	0.73
Coffee, lb	0.70	0.69
Copper electrolytic, lb	1.1675	1.1675
Iron FOB, ton	213.00	213.00
Lead, lb	0.38	0.38
Printcloth, yd	n.a.	n.a.
Silver, troy oz	5.21	5.18
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	94.00	97.00
Tin, lb	4.1405	4.1973
Zinc, lb	0.73	0.73

Dividends

Company	Per	Amt	Pay	Rec
Usual				
Axe Houghton B	Q	.18	1-8	12-29
Axe Houghton Inco	Q	.17	1-8	12-29
Blair Corp	-	1.16	2-1	1-12
Buell Industries	Q	.05	3-2	2-16

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

DM Futures Options

Jan. 1

Strike Price	Calls-Settle Jan	Feb	Mar	Puts-Settle Jan	Feb	Mar
56	2.38	2.42	2.44	0.02	0.19	0.37
57	1.32	1.65	1.91	0.04	0.32	0.43
58	0.47	1.02	1.30	0.19	0.74	0.83
59	0.09	0.58	0.83	0.81	1.27	1.57
60	0.02	0.32	0.52	1.74	1.80	2.23
61	0.01	0.16	0.31	—	—	3.01

Est. total volume: 18,434
Calls: Fri. volume: 3,596; open int.: 56,628
Puts: Fri. volume: 4,678; open int.: 81,253
Source: CME.

NYSE Diary

	Close	Prev.
Advanced	1254	1083
Declined	415	484
Unchanged	333	425
Total issues	2002	1992
New Highs	111	93
New Lows	6	42

AMEX Diary

	Close	Prev.
Advanced	471	486
Declined	182	195
Unchanged	198	277
Total issues	852	927
New Highs	24	21
New Lows	4	27

NASDAQ Diary

	Close	Prev.
Advanced	1,299	1,499
Declined	822	685
Unchanged	n.a.	2,177
Total issues	n.a.	4,361

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	*Sh'rt
Dec. 29	329,014	545,070	2,342
Dec. 28	249,397	495,406	2,771
Dec. 27	245,080	423,030	2,804
Dec. 26	154,253	284,877	1,437
Dec. 22	285,273	332,358	3,125

*Included in the sales figures

To Our Readers

Currency option prices were not available for this edition because of technical problems.

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2748.72	2811.65	2732.51	2810.15	+ 56.95
Trans	1175.32	1204.30	1170.79	1201.10	+ 23.29
Util	234.60	236.97	232.21	236.23	+ 1.19
Comp	1033.23	1055.25	1027.08	1053.45	+ 18.55

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	411.20	401.89	411.20	+ 7.71
Transp.	286.19	277.72	286.19	+ 7.71
Utilities	157.86	155.55	157.86	+ 1.52
Finance	31.81	31.14	31.81	+ 0.51
SP 500	359.65	351.98	359.69	+ 6.29
SP 100	336.15	328.06	336.15	+ 6.80

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	198.00	194.42	198.00	+ 2.96
Industrials	236.68	232.05	236.68	+ 3.92
Transp.	182.25	178.25	182.25	+ 3.92
Utilities	102.92	101.62	102.92	+ 0.92
Finance	158.17	155.69	158.17	+ 2.02

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	459.33	+ 4.51	445.36	458.55
Industrials	453.73	+ 5.74	438.61	447.79
Finance	508.74	+ 3.10	498.23	520.50
Insurance	548.20	+ 2.19	535.10	561.34
Utilities	739.56	+ 2.36	713.70	743.17
Banks	397.24	+ 6.22	386.14	413.91
Transp.	506.10	+ 7.90	484.63	481.68

AMEX Stock Index

High	Low	Close	Ch'ge
381.53	377.34	381.53	+ 3.53

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	92.98	+ 0.04
Utilities	94.39	— 0.07
Industrials	91.56	+ 0.15

Market Sales

NYSE 4 p.m. volume	162,070,000
NYSE prev. cons. close	145,518,780
Amex 4 p.m. volume	11,683,455
Amex prev. cons. close	16,973,580
NASDAQ 4 p.m. volume	110,714,300
NASDAQ prev. 4 p.m. volume	164,171,700
NYSE volume up	124,087,700
NYSE volume down	24,541,600
Amex volume up	7,218,100
Amex volume down	2,778,100
NASDAQ volume up	n.a.
NASDAQ volume down	n.a.

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
PhilMr s	27698	42¾	41	42¾	+1⅛
GenEl	18412	67	64⅝	67	+2½
AT&T	18114	46⅜	45⅛	46½	+1
IBM	17602	98⅞	94½	98	+3⅜
MirHon	17330	34¾	33¼	34⅝	+1½
Navistr	15697	4⅛	3⅞	4⅛	+ ¼
Unisys	13905	15⅝	14⅝	15⅝	+ ⅞
Exxon	13301	50½	49⅛	49⅞	— ⅛
AMD	12720	8¼	7⅝	8¼	+ ⅝
TexUtil	11866	35⅛	34⅞	35¼	+ ⅜
Merck	11854	78⅜	76⅞	78⅜	+1⅛
FordM	11590	45⅜	43⅞	45⅜	+1⅜
WalMrt	11314	47⅝	44⅝	47¼	+2⅝
AmExp	11075	35	34⅜	34⅞	
Waste s	10836	36	34⅞	36	+1

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
WangB	5548	5⅛	4⅞	5⅛	
ENSCO	5219	4⅝	4⅛	4⅜	
FruitL	4792	15⅜	14⅝	14⅞	— ⅛
Amdhl	4277	15⅛	14⅝	15	+ ⅜
Hasbro	4235	20⅛	18⅞	20⅛	+1½
TexAir	2800	12⅛	11⅝	12	+ ½
BAT In	3228	13⅛	12⅞	13⅛	+ ⅛
WDigitl	2616	8⅞	8⅜	8⅝	+ ¼
HlthMd	2178	3⅝	3½	3⅝	+ ⅛
EchoBy	2131	18⅞	18	18⅝	+ ⅝
DowCrt	2046	8¼	8	8	— ¼
Telesph	1879	3⅝	3½	3½	+ ⅛
Diasonc	1634	4⅛	3⅞	4	— ⅛
A-Rom sc	1564	8⅝	7⅞	8⅝	+1⅛
JanBell	1493	25⅝	25⅛	25⅝	+ ⅝

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Late Surge Pushes Dow to a Record

United Press International

NEW YORK — The New York Stock Exchange began the new decade with a bang, as program buying combined with heavy buying by institutions and a favorable economic report to send the Dow industrials to a new all-time high.

The Dow Jones industrial average, which rose 20.90 Friday, soared 56.95 points to 2,810.15, easily eclipsing the 2,800 level and the old all-time high of 2,791.41 set Oct. 9. The gain was the sharpest since the blue chips rallied 88.12 points the Monday after the Oct. 13 plunge.

Among broader market indicators, the New York Stock Exchange composite index surged 2.96 to 198.00. Standard & Poor's 500-stock index jumped 6.29 to 359.69. The price of an average share jumped 56 cents.

Advances overwhelmed declines by a 3-1 margin. Big Board volume totaled 162.0 million shares compared with the 145.9 million shares traded Friday.

Analysts said the surge, largely in the last half hour of trading, was the result of heavy institutional buying in what is known as the "January effect," when money managers snap up stocks that were battered by year-end selling to realize losses for tax purposes.

The market got its initial boost early in the day from a surprisingly strong economic report. The December survey of corporate purchasing managers showed that while the industrial economy remained on the decline last month, it slowed less than expected.

N.Y. Stocks

Analysts said the news sparked buy programs, used to profit on price discrepancies between stocks and stock index futures, which carried prices still higher. The session ended with a late surge which analysts attributed both to program buying and heavy buying by institutions.

"This market is in a phase where it will anticipate the worst," said Monte Gordon, research director of Dreyfus Corp. "So when the purchasing managers' report came in better than expected, the market turned around," he said.

"On the positive side, it suggests we're not teetering on the brink of recession," Mr. Gordon said. "But on the negative side, the market's impression is that the Federal Reserve would not be under pressure to ease further."

But other analysts said many in the market believe rates are headed down, and probably soon.

"There's a big belief that short-term rates are coming down," said Don Hays, director of investment strategy at Wheat, First Securities Inc. in Richmond, Virginia. Mr. Hays said he thought that was the reason for the strong showing in the auto sector Tuesday. "Autos are heavily dependent on that, they follow it closely," said Mr. Hays.

In trading Tuesday, Philip Morris was the most active NYSE issue, jumping 1⅛ to 42¾.

The Amex Market Value index closed up 3.53 to 381.53. The price of an average share gained 15 cents. Advances pounded declines 461-180 among the 826 issues traded. Volume totaled 11,680,000 shares, compared with 16,973,580 shares traded Friday.

Toys R Us Sales Rise by 22.7%

Reuters

NEW YORK — Shares of Toys R Us Corp. rose sharply Tuesday after the retailer reported surprisingly robust Christmas sales, traders said.

Toys R Us shares rose $2.375 to $38.25 in brisk trading on the New York Stock Exchange.

The company, which is based in Paramus, New Jersey, said sales for its eight-week Christmas season ended Dec. 24 were up 22.7 percent, to $2.02 billion from $1.65 billion a year earlier.

U.S. toy store sales rose 10 percent on a same-store basis. "The sales were very good," said one trader.

BUSINESS BRIEFS

Striking Miners Welcome Accord

CHARLESTON, West Virginia (AP) — Striking coal miners welcomed a tentative settlement of their bitter 9-month walkout at Pittston Co. on Tuesday, but promised to keep the picket lines up until they've had a chance to vote on the pact.

If ratified by the company's 1,700 workers, the agreement would end a sometimes-violent strike that spread far beyond one small company, at one point triggering wildcat strikes by 46,000 miners in 10 states.

Details of the tentative accord between Pittston and the United Mine Workers were kept secret until the union could explain the deal to its members in Virginia, West Virginia and Kentucky. They will vote on the pact in the next eight to 10 days.

NatNed Expects Higher 1989 Profit

THE HAGUE (Reuters) — Nationale Nederlanden NV, the Dutch insurance company, said Tuesday that its 1989 net profit would be at least 15 percent above 1988 level of 787 million guilders ($410.8 million).

The company also said 1989 revenue would rise 16 percent to 23.4 billion guilders. NatNed also repeated a November forecast that profits per share would increase from the 6.38 guilders reported in 1988.

Finnish President Seeks Labor Pact

HELSINKI (Reuters) — The Finnish president Mauno Koivisto has called for trade unions to support a nationwide settlement on pay and other conditions to replace the two-year deal that expires on March 1.

The trade union confederation, SAK, said last week it could not support the settlement offered by the government mediator Teuvo Kallio for the next two-year period, as a few members thought the offer too low.

Mr. Koivisto said Tuesday the deadline for reaching a settlement was two weeks away and urged labor leaders to lobby hard seal the accord.

Italian Stockbrokers Stage Protest

MILAN (AP) — Italian stockbrokers on Tuesday suspended trading of shares for 20 minutes to protest the nation's slow pace in modernizing the securities business.

The protest delayed stock exchange operations on Italy's largest market in Milan and in minor markets in Rome and Turin. It did not prevent regular listing of closing prices.

Italian stockbrokers, who have a monopoly on executing transactions, want parliament to move faster on a number of bills regarding public tender offers, insider trading and anti-trust regulations.

Hungary to Privatize State Airline

BUDAPEST (AP) — The Hungary government plans to privatize the Malev state airline, the deputy transport minister, Sandor Kalnoki Kiss, said Tuesday.

In an interview with the Magyar Hirlap daily, the minister said the government had already received many offers for Malev but planned to hire an investment firm to handle the sell-off.

He said that his ministry would seek a guarantee to have a say in future company decisions. The airline's 22-plane fleet flies to 40 countries in Europe, the Middle East and North America.

ABB to Take Over Spanish Group

STOCKHOLM (Reuters) — The Swiss-Swedish engineering group Asea Brown Boveri AG said Tuesday it reached an agreement with the Spanish government and unions on restructuring the Spanish electronic group CCC and would acquire the company for an undisclosed amount.

ABB announced last August its plans to take over and restructure CCC, which comprises three companies, Cenemesa, Conelec and Cademesa.

Dollar Surges Despite Fed Sales

Reuters

NEW YORK — The dollar rose sharply Tuesday, beating back repeated attempts by the Federal Reserve Board to check its advance in what analysts described as a chiefly technical rally.

"We're really starting the year with a bang," said Leslie Puth, vice president of Banque Indosuez in New York. "Ostensibly, this move came from the purchasing managers number," he said, referring to the gain, announced in the morning, in the widely watched index of U.S. factory demand. "But that didn't warrant such a rise. It was a move that technical people had called for."

Foreign Exchange

The U.S. currency jumped to 146.55 yen, compared with 143.55 on Friday, while it closed at 1.7130 Deutsche marks, up from 1.6978 DM. The U.S. unit also gained to 1.5815 Swiss francs from 1.5410 francs and to 5.8525 French francs from Friday's close of 5.7880 francs.

The pound also weakened against the dollar, closing at $1.6095, compared with $1.6130.

The Fed intervened at least four times against the dollar, dealers said, including sales of dollars at 146.70 yen shortly before mid-morning and at 146.20 yen shortly after midday. Dealers said the dollar has some more room to rise.

"The Fed hasn't solved anything," said James Scalfaro, corporate adviser for Bank of Montreal in New York. "It just got profit takers into the market."

The National Association of Purchasing Management's index of economic conditions registered 48.0 percent in December, up from 46.6 percent in November. Despite the rise, a figure below 50 indicates contraction in the U.S. manufacturing sector, according to the association.

But the gain in the index helped spur short-covering, sending the dollar higher, dealers said. Once the dollar started rising, stop-loss buy orders ensued. "A lot of people were very short," said Baruch Deutsch, vice president of Shearson Lehman Hutton Inc.

"Technicians called for dollar support at 1.6870 marks and resistance at 1.7180 marks," said Ms. Puth of Banque Indosuez. "So the dollar is behaving well technically."

In London, meanwhile, the dollar rose to 1.7085 DM, from 1.6915 at Friday's close, and to 145.85 yen from 143.65.

Only the strengthening pound held its own against the U.S. currency, finishing at $1.6125, after $1.6130.

London Dollar Rates

Closing	Tue.	Fri.
Deutsche mark	1.7085	1.6915
Pound sterling	1.6125	1.6130
Japanese yen	145.85	143.65
Swiss franc	1.5725	1.5417
French franc	5.8375	5.7815

Source: Reuters

New Yugoslav Dinar is Fully Convertible

United Press International

BELGRADE — The Yugoslav government introduced a revamped and fully convertible currency on Tuesday, part of a strict new monetary policy designed to curb inflation that exceeded 2,600 percent in the past year.

The value of the Yugoslav monetary unit was set at seven dinars to one Deutsche mark, the official news agency Tanjug said.

Belgrade also revalued its currency, giving the one-dinar note a value equal to 10,000 old dinars, Tanjug said.

Both measures are part of the anti-inflation package by the prime minister Ante Markovic placed which the Federal Assembly passed on Dec. 18.

U.S. FUTURES

Via Associated Press Jan. 2

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
4.43	3.87	Mar	4.08½	4.10¼	4.07½	4.08¼	—.00½
4.32	3.70	May	3.87½	3.89½	3.86¼	3.87¼	—.00½
3.85	3.42¼	Jul	3.58	3.60½	3.57½	3.59¾	+.01¼
3.73	3.48	Sep	3.63	3.65½	3.63	3.64½	—.01
3.80	3.56	Dec	3.75	3.76½	3.75	3.75½	—.00½
3.82½	3.78¼	Mar	3.80	3.81	3.80	3.81	—.00½

Est. Sales Prev. Sales 2,942
Prev. Day Open Int. 53,126 off 120

CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.86½	2.26	Mar	2.39	2.39	2.37½	2.37¼	—.02
2.89½	2.30	May	2.45	2.45	2.43½	2.43¼	—.01¾
2.85	2.31	Jul	2.48½	2.49¼	2.47¼	2.48	—.01¼
2.71	2.29	Sep	2.48½	2.48½	2.45½	2.45½	—.03¼
2.63½	2.32	Dec	2.47¼	2.47¼	2.45	2.45½	—.02¼
2.55	2.41	Mar	2.53¼	2.54	2.51½	2.51½	—.02½
2.59	2.55½	May	2.59	2.59	2.56½	2.56½	—.02½

Est. Sales Prev. Sales 17,319
Prev. Day Open Int. 166,915 off 223

SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
7.67	5.51	Jan	5.66½	5.67¼	5.60½	5.61¾	—.06¼
7.74	5.53½	Mar	5.82	5.82	5.75	5.75¾	—.06½
7.78	5.73½	May	5.94½	5.94¾	5.89	5.90	—.06
7.31	5.78½	Jul	6.07½	6.07½	6.01½	6.02¼	—.06
7.05	5.75	Aug	6.09	6.10¼	6.05	6.05¼	—.05¼
6.35	5.68	Sep	6.12	6.12	6.07	6.07	—.08
6.60	5.64½	Nov	6.16	6.18	6.13	6.13½	—.04½
6.35½	5.87	Jan	6.26½	6.27½	6.22½	6.21½	—.07
6.43	6.33½	Mar	6.34	6.34	6.33½	6.33½	—.05½

Est. Sales Prev. Sales 20,540
Prev. Day Open Int. 94,192 off 761

SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
230.00	175.50	Jan	181.40	181.50	179.30	179.70	—1.90
249.20	175.20	Mar	181.40	181.40	179.20	179.60	—1.80
239.50	174.50	May	181.50	181.50	179.30	179.70	—1.70
205.00	174.00	Jul	183.90	183.90	181.63	181.90	—1.50
188.00	173.50	Aug	184.20	184.00	182.70	182.70	—1.40
188.00	171.50	Sep	184.70	185.00	183.70	183.70	—1.00
188.50	174.00	Oct	185.80	186.00	184.80	184.80	—1.00
190.50	174.00	Dec	187.00	188.20	187.50	187.50	+.30

Est. Sales Prev. Sales 9,187
Prev. Day Open Int. 58,234 off 59

SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.45	18.25	Jan	18.70	18.70	18.39	18.43	—.27
25.85	18.75	Mar	19.20	19.20	18.86	18.87	—.32
26.05	19.20	May	19.57	19.57	19.29	19.32	—.28
25.80	19.50	Jul	19.85	19.85	19.60	19.64	—.24
23.90	19.50	Aug	19.55	19.95	19.70	19.70	—.25
21.70	19.50	Sep	20.06	20.06	19.85	19.85	—.21
21.35	19.95	Oct	20.06	20.10	19.96	19.97	—.18
21.50	20.25	Dec	20.15	20.20	20.00	20.00	—.17
21.45	20.05	Jan	20.05	20.05	20.05	20.02	—.15

Est. Sales Prev. Sales 14,934
Prev. Day Open Int. 67,999 off 1,815

Livestock

CATTLE (CME) 40,000 lbs - cents per lb.							
77.92	69.50	Feb	77.35	77.62	77.20	77.45	+.08
76.00	70.80	Apr	75.70	75.95	75.60	75.92	+.25
73.45	69.75	Jun	71.95	72.15	71.88	72.12	+.25
71.95	69.12	Aug	71.30	71.42	71.22	71.35	+.13
71.90	68.30	Oct	71.15	71.30	71.10	71.23	
73.20	71.30	Dec	72.15	72.40	72.10	72.20	—.05

Est. Sales 8,438 Prev. Sales 8,022
Prev. Day Open Int. 76,325 up 740

FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
85.60	77.20	Jan	84.70	85.25	84.65	84.75	—.15
84.10	77.40	Mar	83.42	83.65	83.17	83.22	—.20
83.00	78.90	Apr	82.50	82.65	82.15	82.20	—.30
82.00	78.62	May	81.75	81.70	81.30	81.35	—.10
81.13	78.50	Aug	80.90	80.90	80.75	80.93	—.10
80.15	78.00	Sep	80.35	80.35	80.30	80.35	—.05
80.00	78.20	Oct				79.85	
80.50	79.30	Nov				79.95	

Est. Sales 685 Prev. Sales 669
Prev. Day Open Int. 9,790 off 1

HOGS (CME) 30,000 lbs.- cents per lb							
51.87	41.75	Feb	48.55	48.85	48.20	48.72	+.02
47.50	39.40	Apr	44.75	45.25	44.55	45.22	+.35
50.65	44.25	Jun	48.43	48.70	48.55	48.55	—.07
50.75	44.95	Jul	48.95	48.95	48.52	48.80	—.17
49.45	43.70	Aug	47.55	47.60	47.62	47.65	—.10
44.70	40.80	Oct	43.60	43.60	43.30	43.30	—.30
46.15	44.25	Dec	45.20	45.20	44.90	45.00	—.27

Est. Sales 4,185 Prev. Sales 2,735
Prev. Day Open Int. 25,777 off 19

PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
65.90	38.50	Feb	49.70	50.22	49.42	49.95	+.05
64.90	38.15	Mar	49.90	50.20	49.67	49.95	+.05
63.75	39.50	May	50.65	51.10	50.60	51.25	+.37
61.90	37.95	Jul	51.05	51.50	50.85	51.25	+.20
60.00	39.25	Aug	49.40	50.45	49.55	50.20	+.70
63.40	48.07	Feb				52.25	+.65
58.00	50.20	Mar				51.65	

Est. Sales 2,576 Prev. Sales 1,789
Prev. Day Open Int. 10,471 off 11

Food

COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
146.00	71.30	Mar	79.40	81.20	79.15	80.56	+.99
124.50	73.70	May	81.50	82.90	81.25	82.52	+1.07
132.25	74.85	Jul	83.50	84.75	83.25	84.60	+1.60
120.00	77.25	Sep	85.12	86.75	85.10	86.50	+1.60
104.00	81.20	Dec	89.25	89.63	89.25	89.55	+.65
116.75	93.00	Mar				91.75	—.35
123.00	92.50	May				93.75	+.25

Est. Sales Prev. Sales 3,850
Prev. Day Open Int. 35,478 off 11

SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
15.38	8.75	Mar	13.22	13.23	13.00	13.02	—.14
15.10	9.23	May	13.24	13.30	13.06	13.07	—.14
14.34	10.55	Jul	13.10	13.16	12.92	12.92	—.14
14.41	10.60	Oct	12.81	12.90	12.70	12.71	—.08
13.74	12.10	Mar	12.42	12.40	12.25	12.25	—.07
		May				12.17	—.05

Est. Sales 7,700 Prev. Sales 3,373
Prev. Day Open Int. 63,475 off 125

COCOA (NYCSCE) 10 metric tons-$ per ton							
1535	896	Mar	926	938	924	929	+4
1465	905	May	945	944	935	934	+1
1320	931	Jul	953	954	943	948	+2
1430	941	Sep	971	971	944	966	+4
1395	965	Dec	995	995	990	987	—3
1390	985	Mar	1010	1010	1010	1005	—1
1050	1007	May				1013	—1

Est. Sales 3,274 Prev. Sales 1,630
Prev. Day Open Int. 49,364 up 41

ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
173.00	121.00	Jan	165.65	171.00	165.45	170.25	+4.60
171.30	121.40	Mar	168.25	168.25	168.05	168.05	+8.00
169.30	122.00	May	167.00	167.00	167.00	167.00	+8.00
166.10	123.00	Jul	168.10	168.10	168.10	168.10	+8.00
160.00	123.50	Sep	167.00	167.00	167.00	167.90	+8.00
158.25	124.00	Nov	166.00	166.25	166.00	166.25	+8.00
155.50	125.00	Jan	162.00	162.50	162.00	163.50	+8.00
		Mar				163.50	+8.00
		May				163.50	+8.00

Est. Sales Prev. Sales 2,269
Prev. Day Open Int. 9,696 off 291

Metals

ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
82.50	82.50	Jan				73.50	+.50
		Feb				73.50	+.50
87.00	71.00	Mar				74.00	+.50
75.00	73.50	May				74.50	+.50
95.50	95.50	Jul				74.50	+.50
		Sep				74.50	+.50
		Dec				74.50	+.50
		Jan				74.50	+.50
		Mar				74.50	+.50
		May				74.50	+.50
		Jul				74.50	+.50
		Sep				74.50	+.50

Est. Sales Prev. Sales
Prev. Day Open Int. 45

SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
815.0	512.0	Jan	517.0	517.0	517.0	518.3	—2.5
567.0	515.5	Feb	521.0	521.0	520.0	521.2	—2.0
910.0	520.0	Mar	524.0	526.0	522.5	525.3	—2.0
910.0	527.0	May	532.0	535.5	531.0	533.0	—2.0
761.5	534.0	Jul	540.0	549.5	539.0	540.7	—2.0
760.0	541.0	Sep	548.5	557.0	547.0	548.4	—2.0
742.0	555.0	Dec	557.0	568.0	557.0	559.7	—2.0
688.0	596.0	Jan				563.1	—2.0
665.0	565.0	Mar	570.0	575.0	570.0	571.1	—2.0
647.0	573.0	May	579.0	579.0	579.0	578.8	—2.0
667.5	583.0	Jul	592.0	592.0	592.0	587.0	—2.0
654.0	595.0	Sep	595.0	595.0	595.0	595.6	—2.0

Est. Sales 14,000 Prev. Sales 14,237
Prev. Day Open Int. 94,843 off 1,388

PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
601.50	470.50	Jan	471.00	476.50	470.00	474.20	—13.10
557.50	475.00	Apr	484.00	483.00	479.50	482.20	—14.10
556.00	477.00	Jul	488.00	489.50	488.00	487.40	—14.10
560.50	483.50	Oct	492.00	497.00	493.00	492.90	—14.10
537.00	537.00	Jan				499.90	—14.10

Est. Sales Prev. Sales 5,441
Prev. Day Open Int. 18,767 up 479

PALLADIUM (NYME) 100 troy oz.- dollars per oz							
176.00	123.00	Mar	134.00	135.75	132.00	135.70	+.25
175.00	133.00	Jun	135.00	136.00	135.00	136.70	+.20
149.50	133.00	Sep	136.00	136.00	136.00	137.25	+.20
147.20	138.25	Dec				138.20	+.20
141.00	141.50	Mar				138.95	+.35

Est. Sales Prev. Sales 578
Prev. Day Open Int. 6,237 up 12

GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
418.00	378.00	Jan				399.60	—2.90
516.00	364.70	Feb	401.00	404.60	400.20	402.10	—3.10
		Mar				404.50	—3.10
525.80	370.00	Apr	406.50	409.30	405.20	407.10	—3.20
497.00	372.90	Jun	410.80	414.20	410.80	411.90	—3.30
487.00	380.00	Aug				416.30	—3.40
472.00	384.50	Oct	420.50	420.50	420.50	420.90	—3.50
455.50	387.50	Dec	426.50	427.50	424.00	425.40	—3.50
454.50	394.80	Feb	429.50	432.00	429.50	430.60	—3.90
460.00	398.50	Apr				435.30	—4.00
463.00	402.60	Jun				440.50	—4.10
468.00	389.30	Aug				445.60	—4.20
475.00	450.00	Oct				450.70	—4.30

Est. Sales 35,000 Prev. Sales 25,160
Prev. Day Open Int. 150,931 up 124

Financial

US T. BILLS (IMM) $1 million- pts of 100 pct.							
93.60	90.75	Mar	93.05	93.06	92.95	92.94	—.12
93.65	91.19	Jun	93.29	93.29	93.22	93.22	—.11
93.45	91.28	Sep	93.36	93.36	93.26	93.26	—.09
93.20	92.42	Dec	93.12	93.12	93.10	93.12	—.08
93.20	92.95	Mar	92.98	92.98	92.98	92.98	—.04

Est. Sales 1,800
Prev. Day Open Int. 34,392 up 284

10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
101-7	95-17	Mar	99-20	99-30	99-15	99-20	[illegible]
101-6	97-26	Jun	99-17	99-28	99-17	99-19	[illegible]
100-14	99-14	Sep				99-15	[illegible]

Est. Sales Prev. Sales 13,222
Prev. Day Open Int. 69,973 up 429

US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
101-4	72-1	Mar	98-18	98-25	98-6	98-13	[illegible]
100-15	75	Jun	98-14	98-21	98-4	98-4	[illegible]
100-4	79-1	Sep	98-8	98-8	97-30	98-2	[illegible]
99-24	80	Dec	97-24	98	97-22	97-26	[illegible]
99-12	79-21	Mar	97-17	97-18	97-10	97-19	[illegible]
99-4	82-18	Jun				97-8	[illegible]
99-5	86-4	Sep				97-2	[illegible]
98-20	88-18	Dec				96-29	[illegible]
98-13	94-4	Mar				96-21	[illegible]
97-19	97-19	Jun				96-16	[illegible]
		Sep				96-4	[illegible]

Est. Sales Prev. Sales 103,697
Prev. Day Open Int. 283,531 off 4,224

MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
95-23	85-19	Mar	93-26	93-31	93-17	93-21	[illegible]
95-13	87-2	Jun	94	94-8	93-29	93-31	[illegible]
95-11	90-18	Sep				93-7	[illegible]

Est. Sales Prev. Sales 1,907
Prev. Day Open Int. 14,083 off 113

EURODOLLARS (IMM) $1 million-pts of 100 pct.							
92.46	88.90	Mar	91.97	92.00	91.90	91.91	—.07
92.45	88.82	Jun	92.13	92.16	92.07	92.07	—.09
92.29	88.74	Sep	92.10	92.14	92.05	92.05	—.09
92.15	89.85	Dec	91.91	91.91	91.83	91.84	—.08
92.01	89.96	Mar	91.77	91.79	91.72	91.72	—.07
91.85	89.91	Jun	91.61	91.63	91.55	91.56	—.06
91.83	90.04	Sep	91.51	91.54	91.48	91.48	—.06
91.78	89.94	Dec	91.40	91.44	91.37	91.37	—.05
91.82	90.09	Mar	91.44	91.42	91.42	91.43	—.05
91.76	90.88	Jun	91.37	91.43	91.38	91.35	—.04
91.72	90.88	Sep	91.35	91.37	91.32	91.32	—.04
91.53	90.37	Dec	91.27	91.27	91.24	91.24	—.04
91.65	90.92	Mar				91.26	—.04
91.51	90.90	Jun				91.26	—.04
91.47	90.90	Sep	91.22	91.22	91.21	91.18	—.04
91.37	91.14	Dec	91.17	91.17	91.15	91.13	—.04

Est. Sales Prev. Sales 49,127
Prev. Day Open Int. 410,473 up 2,363

BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.6160	1.4600	Mar	1.6000	1.6070	1.5820	1.5834	—34
1.6750	1.4600	Jun	1.5750	1.5950	1.5688	1.5892	—34
1.5700	1.5290	Sep	1.5366	1.5366	1.5366	1.5578	—34

Est. Sales Prev. Sales 6,228
Prev. Day Open Int. 19,825 off 2,998

CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8587	.7890	Mar	.8563	.8562	.8543	.8549	—12
.8500	.8086	Jun	.8485	.8485	.8473	.8479	—12
.8430	.8107	Sep	.8425	.8425	.8417	.8417	—8
.8395	.8120	Dec	.8352	.8352	.8352	.8355	—6
.8327	.8160	Mar	.8305	.8305	.8305	.8305	+9

Est. Sales Prev. Sales 1,665
Prev. Day Open Int. 23,526 off 19

FRENCH FRANC (IMM) $ per franc- 1 point equals $0.00001							
		Mar				.16780	

Est. Sales Prev. Sales
Prev. Day Open Int.

GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.5955	.5000	Mar	.5915	.5915	.5821	.5828	—82
.5952	.5057	Jun	.5904	.5904	.5817	.5820	—86
.5940	.5525	Sep	.5815	.5875	.5815	.5812	—89
.5866	.5769	Dec				.5804	—92

Est. Sales Prev. Sales 16,796
Prev. Day Open Int. 58,073 up 868

JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.008138	.006780	Mar	.006934	.006954	.006825	.006847	—127
.007530	.006800	Jun	.006980	.006980	.006860	.006865	—124
.007390	.007010	Sep	.006925	.006925	.006870	.006886	—126
		Dec	.006920	.006925	.006920	.006909	—128

Est. Sales Prev. Sales 14,915
Prev. Day Open Int. 49,960

SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.6538	.5740	Mar	.6424	.6417	.6296	.6298	—176
.6537	.5865	Jun	.6420	.6420	.6285	.6290	—180
.6526	.6050	Sep	.6342	.6342	.6280	.6283	—183
.6497	.5600	Dec	.6330	.6330	.6300	.6279	—193

Est. Sales Prev. Sales 5,238
Prev. Day Open Int. 32,418 off 245

Industrials

LUMBER (CME) 150,000 bd. ft.- $ per 1,000 bd ft.							
192.80	181.20	Jan	189.90	189.90	188.50	188.80	—1.10
194.80	185.00	Mar	192.50	192.50	190.80	190.90	—1.70
196.90	188.00	May	194.40	194.40	193.50	193.50	—.80
198.40	177.50	Jul	195.00	195.00	195.60	195.80	—.90
198.00	192.00	Sep	195.80	195.80	195.80	195.80	—.80
200.20	189.90	Nov	192.30	192.30	192.30	192.20	—.70
194.80	186.20	Jan	194.00	194.00	194.00	194.00	—.50

Est. Sales 659 Prev. Sales 656
Prev. Day Open Int. 5,929 off 17

COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
78.40	53.60	Mar	69.20	69.20	68.17	68.24	—.73
78.85	55.90	May	69.27	69.20	68.50	68.65	—.54
78.70	63.70	Jul	69.75	69.85	68.50	68.55	—.85
72.25	64.95	Oct	64.90	64.99	64.60	64.56	—.64
69.20	62.80	Dec	63.76	63.76	63.40	63.55	—.40
68.45	64.95	Mar				64.20	—.50
64.80	64.80	May				64.90	—.80

Est. Sales 3,300 Prev. Sales 2,999
Prev. Day Open Int. 39,458 off 26

HEATING OIL (NYME) 42,000 gal- cents per gal							
77.89	48.00	Feb	74.75	77.43	74.15	77.50	+2.25
65.58	46.40	Mar	65.52	67.76	63.00	65.76	+2.81
60.25	45.00	Apr	59.75	61.40	58.80	61.40	+1.81
58.00	44.50	May	55.71	58.30	55.30	58.30	+1.56
56.20	44.90	Jun	54.25	56.90	54.25	56.65	+1.38
55.10	46.80	Jul	54.80	56.20	54.80	56.10	+1.38
55.00	47.80	Aug	55.25	55.95	55.20	55.95	+.78
56.30	48.00	Sep	56.30	57.35	56.25	57.50	+1.48
57.70	52.85	Dec	58.35	58.50	58.30	58.50	+.48

Est. Sales Prev. Sales 23,972
Prev. Day Open Int. 97,947 off 4,534

CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
22.15	15.74	Feb	21.80	22.92	21.79	22.86	+1.06
21.45	16.10	Mar	21.38	21.55	21.42	22.45	+.93
21.18	16.30	Apr	21.15	21.75	21.15	22.02	+.86
20.90	16.20	May	20.83	21.75	20.60	21.61	+.70
20.67	16.60	Jun	20.40	21.25	20.40	21.25	+.70
20.38	16.60	Jul	20.45	20.84	20.45	20.84	+.55
20.10	16.39	Aug	20.45		20.45	20.45	+.60
19.95	16.50	Sep	19.75	19.75	19.75	19.79	+.55
19.80	17.30	Oct	19.66		19.66	19.55	+.44
19.70	17.20	Nov	19.63	19.63	19.50	19.52	+.44
19.75	18.00	Dec	19.62	19.63	19.55	19.50	+.50
19.55	18.15	Feb	19.44		19.44	19.44	—.04
19.00	18.54	Mar	19.75	19.95	19.75	19.99	+.49

Est. Sales Prev. Sales 48,775
Prev. Day Open Int. 256,117 up 6,743

Stock Indexes

SP COMP. INDEX (CME) points and cents							
387.55	323.80	Mar	356.25	362.85	355.50	362.50	+6.15
372.90	332.85	Jun	362.25	366.80	359.70	366.50	+6.25
384.80	343.40	Sep	371.25	371.25	367.80	371.00	+6.90

Est. Sales 43,790 Prev. Sales 15,867
Prev. Day Open Int. 137,195 up 1,375

VALUE LINE (KCBT) points and cents							
314.90	284.65	Mar	295.00	299.50	295.30	299.15	+4.75
317.30	289.00	Jun				303.65	+4.25
		Sep				308.15	+4.25
		Dec				312.45	+4.25

Est. Sales Prev. Sales 182
Prev. Day Open Int. 1,238 up 65

NYSE COMP. INDEX (NYFE) points and cents							
204.20	175.20	Mar	196.60	199.95	196.20	199.80	+3.15
205.45	179.00	Jun	198.45	201.95	198.45	202.90	+2.85
209.00	190.80	Sep				204.15	+2.85
209.80	191.70	Dec	206.10	206.10	206.10	206.36	+2.85

Est. Sales Prev. Sales 7,696
Prev. Day Open Int. 6,717 up 169

Commodity Indexes

	Close	Previous
Moody's	1,655.30 f	1,652.40 f
Reuters	1,806.60	1,818.10
D.J. Futures	129.99	129.27
Com. Research	229.83	229.93

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

WORLD STOCK MARKETS

Agence France Presse Jan. 2

Amsterdam

	Close	Prev.
ABN Bank	41	41
ACF Holding	33.40	33
Aegon	114.60	114.70
Ahold	135.30	135.70
Akzo	140.50	141.50
AMEV	62.70	62.70
A'Dam Rubber	5.90	6.20
Amro Bank	80.20	81
Bols	174.50	175.40
Buhrmann Tett	64.20	64.40
BVG	27.80	27.80
Center Parcs	60.20	60.70
CSM	79	79
DAF	43.20	43.30
DSM	113	112.80
Elsevier	80.40	80.80
Fokker	38.60	39.20
Gist-Brocades	31.30	31.20
Heineken	126	127
Hoogovens	88.80	87.80
Hunter Douglas	111.50	111
IHC Caland	36.10	36.10
Inter Mueller	100	97.50
KLM	49.20	48.40
KNP	52.70	52.10
Nat Nederl	74.10	74.20
Nedlloyd	88.20	89
NMB Bank	50	50.30
Oce Grinten	280	285
Pakhoed	143.20	142
Philips	47.40	47.50
Robeco	108.10	107.60
Rodamco	80.30	80.30
Rolinco	107.80	106.90
Rorento	59.40	59.40
Royal Dutch	148.50	146.30
Unilever	160.40	160.60
Van Ommeren	34.90	34.80
VMF Stork	45.10	45.10
VNU	108.70	108.70
Wessanen	61.50	61.50
Wolters-Kluwer	44.70	44.90

CBS Gen'l Index : [illegible]
Previous : [illegible]

Brussels

	Close	Prev.
Arbed	5560	5470
Bekaert	16000	15975
Cockerill	192	192
Cobepa	6000	6010
Delhaize	5740	5710
EBES	4530	4420
GB-Inno-BM	1330	1330
GBL	4600	4615
Gevaert	8350	8100
Hoboken	21400	22000
Intercom	3645	3580
Kredietbank	4400	4540
Petrofina	12200	12050
Royal Belge	6900	6890
Soc Gen Belge	3490	3460
Sofina	14580	14230
Solvay	14150	15000
Tractebel	9560	9450
UCB	19200	19300
Union Min	2800	2615

Current Stock Index : [illegible]
Previous : [illegible]

Frankfurt

	Close	Prev.
AEG	305	306
Allianz Hold	2475	2440
Altana	824	826.50
Asko	820	[illegible]
BASF	301.50	300
Bayer	318.80	315.30
Bay. Hypo bank	438	438
Bay Vereinsbk	412	396
BBC	610	605
BHF Bank	468	461
BMW	566	567
Commerzbank	308	300
Continental	322.50	321
Daimler Benz	813	807.50
Degussa	498	500
Dt Babcock	234	225
Deutsche Bank	847	845
Douglas	774	777
Dresdner Bank	430.50	426
Feldmuehle	530	534
Harpener	[illegible]	[illegible]
Henkel	564	561.90
Hochtief	1045	1080
Hoechst	296	301
Hoesch	311	311
Holzmann	1250	1280
Horten	218	217
IWKA	342	338
Kali Salz	219	223
Karstadt	649	643
Kaufhof	612	606
KHD	274	270
Kloeckner Werke	206	197
Krupp Stahl	228	223
Linde	888	878
Lufthansa	205.50	200
MAN	460	454
Mannesmann	383	375
Metallgesell	615	605.50
Muench Rueck	N.Q.	2330
Nixdorf	323.90	319
PKI	575	575
Porsche	849	850
Preussag	424.50	399.90
PWA	300	293
RWE	454	434
Rheinmetall	358	360
Schering	831	833
SEL	381	376
Siemens	730	725
Thyssen	273	272
Varta	450	440
Veba	392	382
VEW	200	200
Viag	357	350
Volkswagen	549.50	540
Wella	851	844

DAX Index : 1814.38
Previous : 1790.37
FAZ Index : 746.24
Previous : 740.55

Helsinki

	Close	Prev.
Amer A	144	144
Enso-Gutzeit	32	32
K.O.P.	48	48
Kymmene	96.90	96.50
Nokia	105	105
Pohjola	220	220
Stockmann	210	210
Uld Paper	117	117
Wartsila	450	450

Unitas Index : [illegible]
Previous : [illegible]

Hong Kong

	Close	Prev.
Bk East Asia	17.70	17.70
Cathay Pacific	8.30	8.30
Cavendish Int'l	3.20	3.22
Cheung Kong	9.70	9.65
China Light Pwr	12.10	12.10
Dairy Farm Int'l	8.55	8.50
Hang Lung Dev	4.92	4.92
Hang Seng Bank	24.20	24.20
Henderson Land	6.15	6.05
HK Air Eng	22	21.70
HK China Gas	20.70	20.50
HK Electric	7.75	7.75
HK Land	8.25	8.30
HK Realty Trust	4.57	4.60
HK Shang Bank	7.40	7.40
HK Shang Htls	4.67	4.70
HK Telecomm	5.25	5.30
HK Ferry	4.50	5
Hutch Whampoa	8.75	8.80
Hysan Dev	1.27	1.27
Jardine Math	24.30	24.40
Jardine Str Hld	14.80	14.40
Kowloon Motor	7.05	6.90
Mandarin Orient	5.25	5.20
Miramar Hotel	7	6.95
New World Dev	10.40	10.50
SHK Props	12.90	12.90
Stelux	2.82	2.82
Swire Pac A	15.60	15.70
Tai Cheung Prps	4	4.02
TVE	0.86	0.84
Wharf Hold	7.30	7.30
Wing On Co	7.20	7.20
Winsor Ind	7.55	7.30
World Int'l	3.55	3.55

Hang Seng Index : 2858.87
Previous : 2836.57

Johannesburg

	Close	Prev.
AECI	1450	1450
Altech	2700	[illegible]
Anglo Amer Corp	11000	10750
Barlows	4430	4450
Blyvoor	1365	1375
Buffels	4850	4850
GFSA	10200	10100
Harmony	2400	2375
Highveld Steel	1290	1280
Kloof	4800	4800
Nedbank Grp	1110	1100
Randfontein	8275	8375
SA Brews	2975	2950
St Helena	4400	4400
Sasol	1290	1300
Welkom	[illegible]	[illegible]
Western Deep	18000	18750

Composite Stock Index : [illegible]
Previous : [illegible]

London

	Close	Prev.
Allied Lyons	5	4.96
Anglo Am Gld	41.87	41.07
AA Corp	19.50	18.87
Asda-MFI Gp	1.15	1.16
Ass Brit Foods	4.17	4.19
Barclays	5.73	5.68
Bass	10.60	10.53
B.A.T.	8.42	8.43
Blue Circle	2.57	2.58
BOC Group	5.59	5.59
Boots	2.74	2.71
Bowater	4.55	4.44
BAe	6	6.07
BAA	3.79	3.78
Brit Airways	2.37	2.30
British Gas	2.42	2.36
BP	3.38	3.39
British Steel	1.36	1.34
Brit Telecom	3.17	3.08
BTR	4.48	4.47
Burmah Oil	4.90	4.95
Cable Wire	5.60	5.57
Cadbury Sch	3.48	3.46
Charter Cons	4.38	4.35
Comm Union	5.27	5.30
Cookson	2.81	2.83
Courtaulds	3.90	3.83
Dalgety	4	4.07
De Beers	17.25	17.12
Dixons	1.35	1.35
Driefontein	14	14
Fisons	3.49	3.44
Gen Acc F	12.25	12.25
GEC	2.25	2.25
GKN	4.63	4.39
Glaxo	7.87	7.86
Grand Met	6.41	6.29
Gt Univ Stores	14.28	14.09
GRE	2.65	2.67
Guinness	4.85	4.84
Hanson Tr	2.39	2.34
Hawker Sidd	7.17	7.03
ICI	11.40	11.25
Kingfisher	[illegible]	[illegible]
Land Sec	5.30	5.40
Legal Gen Grp	4.23	4.26
Lloyds Bank	4.48	4.52
Lonrho	3.39	3.30
Lucas Ind	6.62	6.49
Marks Sp	2.03	2.03
Maxwell	2.33	2.33
MB Group	[illegible]	[illegible]
Midland Bk	4	3.92
NatWest	3.47	3.48
Pearson Grp	7.63	7.71
Pilkington	2.46	2.43
Prudential	2.36	2.34
Racal Elec	2.47	2.43
Randfontein $	N.A.	8.75
Rank Org	8.67	8.67
Reed Intl	4.43	4.42
Reuters	10.19	10.23
Rolls Royce	1.84	1.83
Royal Dutch	47.37	47.75
RTZ	5.87	5.81
Saatchi	2.63	2.50
Sainsbury	2.46	2.40
Sears Holds	1.11	1.11
Shell	4.94	4.90
Siebe	[illegible]	[illegible]
STC	3.45	3.41
Std Chart Bk	8.45	8.40
Sun Alliance	3.47	3.41
Tate and Lyle	2.90	2.85
Tesco	1.98	1.98
Thorn EMI	7.82	7.78
T.I. Group	4.73	4.73
Trafalgar Hse	3.53	3.50
THF	2.86	2.83
Unilever	7.78	7.31
Utd Biscuits	3.60	3.64
Vickers	1.85	1.84
Wellcome	7.68	7.63
Woolworth	[illegible]	[illegible]

F.T. 30 Index : [illegible]
Previous : [illegible]
F.T.S.E. 100 Index : 2434.10
Previous : [illegible]

Madrid

	Close	Prev.
Bco Bilbao Viz	779	[illegible]
Bco Central	[illegible]	975
Bco Santander	770	774
Banesto	995	1000
Dragados	N.Q.	—
Iberduero	N.Q.	—
Telefonica	N.Q.	—

S.E. General Index : [illegible]
Previous : [illegible]

Milan

	Close	Prev.
Banca Comm	4865	4880
Bastogi	267	262
Ciga hotels	5090	5090
CIR	5000	4990
Cred Ital	2850	2855
Enimont	1647	1648
Eridania	8000	8000
Ferruzzi Fin.	2200	2200
Ferruzzi Agr.	2675	2691
Fiat SPA	11125	11140
Generali	42050	42140
IFI	24550	24700
Italcem	12680	12630
Italgas	3050	3085
Italmobiliare	20230	20220
Mediobca	18400	18400
Montedison	2080	2077
NBA	1859	1803
Olivetti	7475	7415
Pirelli	2977	2980
RAS	27710	27880
Rinascente	7590	7603
Saipem	2695	2690
SIP	3375	3324
SME	4270	4270
Snia	2852	2860
Standa	33400	33400
Stet	4835	4837
Toro Assi Risp	21750	21575

n: x 100
MIB Current Index : 1157
Previous : 1158

Montreal

	Close	Prev.
Alcan Aluminum	27¼	26⅞
Bank Montreal	32⅞	32⅝
Bell Canada	45⅜	45⅝
Bombardier A	N.Q.	16½
Bombardier B	16¼	16⅛
Cambior	18⅛	18⅛
Cascades	5⅞	5⅞
CB Pak	N.Q.	—
Dominion Text A	16	16⅛
Donohue	11⅛	11⅛
MacMillan Bl	18	18⅛
Memotec	10⅝	10⅝
Natl Bk Canada	12⅝	12⅝
Novatel	11⅛	11⅛
Power Corp.	15⅞	15⅝
Provigo	9¼	9⅝
Quebec Tel	N.Q.	—
Quebecor A	14⅞	15
Quebecor B	13⅝	13½
Videotron	16⅛	16⅛

Industrials Index : 1640.91
Previous : 1631.43

Paris

	Close	Prev.
Accor	905	900
Air Liquide	686	685
Av Dassault	640	650
Bancaire	634	627
BIC	[illegible]	[illegible]
Bongrain	3230	3270
Bouygues	665	670
BSN-GD	763	775
Carrefour	3620	3645
Cerus	450	449
C.G.E.	535	[illegible]
Chargeurs	1277	1302
Club Med	689	[illegible]
Damez	939	951
Elf-Aquitaine	569	[illegible]
Europe 1	1051	1045
Gen. Eaux	2230	2310
Hachette	395.10	414.50
Havas	1410	1406
Imetal	310	316
Lafarge Coppee	1600	1585
Legrand	3370	[illegible]
Oreal (L')	4360	[illegible]
L.V.M.H.	4440	[illegible]
Matra	[illegible]	[illegible]
Merlin Gerin	397.50	392.50
Michelin	4940	4925
Moulinex	165.20	166.60
Occidentale	[illegible]	148
Paribas	792	794
Pernod Ricard	701	703
Perrier	1529	1528
Peugeot	1040	[illegible]
Printemps (Au)	815	823
Radiotechnique	724	731
Raff St. Louis	577	571
Redoute (La)	1586	1575
Roussel Uclaf	3520	3550
Saint Gobain	2290	2275
Sanofi	648	651
Skis Rossignol	1130	1145
Societ. Generale	1035	1070
Suez	576	581
[illegible]	643	441
Telemecanique	4605	4735
Thomson-CSF	151.10	154.60
Total	567	572
Valeo	837	843

CAC 40 Index : [illegible]
Previous : 2001.08

Sao Paulo

	Close	Prev.
Banco do Brasil	6	5.45
Bradesco	0.73	0.75
Brahma	0.75	0.78
Paranapanema	0.35	0.35
Petrobras	37	37.00
Vale Rio Doce	97.50	96.50
Varig	7.30	7.00

Bovespa Index : 42736
Previous : [illegible]

Singapore

	Close	Prev.
Cerebos	5.90	5.90
City Dev.	3.86	3.86
DBS	11.30	11
Fraser Neave	8.60	8.53
Genting	8.50	8.60
Harrisons Plant	1.82	1.79
How Par	2.73	2.87
Inchcape	3.80	3.85
Keppel	6.40	6.50
KL Kepong	3.44	3.44
Lum Chang	1.74	1.73
Malayan Banka	9.25	9.15
OCBC	9.75	9.55
OUB	4.30	4.26
OUE	9.05	9.36
Sembawang	5.85	5.80
Shangri-la	9.80	9.80
Sime Darby	3	2.93
SIA	14.60	14.50
S'pore Land	13.50	13.80
S'pore Press	8.35	8.25
Sing Steamship	3.33	3.32
Straits Trading	3.74	3.74
UOB	5.70	5.50
United Overseas	2.10	2.05

Straits Times Ind. : 1499.46
Previous : [illegible]

Stockholm

	Close	Prev.
AGA	265	265
Alfa Laval	215	225
Asea	704	718
Astra A	392	392
Atlas Copco	287	289
Electrolux B	282	282
Ericsson	[illegible]	[illegible]
Esselte A	225	225
Handelsbanken	115	116
Pharmacia A	224	224
Norsk Hydro	173	167.50
Saab-Scania	N.Q.	[illegible]
Sandvik	281	280
SCA-A	130	130
S-E Banken	91.50	91
Skandia Intl A	250	250
Skanska	550	557
SKF	153	159
Stora	310	314
Volvo	440	445

Affaersvaerlden : 1177.40
Previous : 1172

Sydney

	Close	Prev.
ANZ	6.10	6.02
BHP	9.44	9.30
Bond	N.Q.	0.13
Boral	3.81	3.76
Bougainville	1.30	1.38
Coles Myer	8.30	8.40
Comalco	4	4
CRA	11.05	11.60
CSR	3.24	3.30
Dunlop	[illegible]	[illegible]
Elders IXL	2.12	2.12
ICI Australia	[illegible]	[illegible]
Magellan	[illegible]	[illegible]
MIM	1.75	1.75
Nat Aust Bank	2.32	2.30
News Corp	6.56	6.50
N Broken Hill	13.95	13.95
Poseidon	2.88	2.75
QCT Resources	3.05	2.95
Santos	1.48	1.46
Thomas Nation	4.10	4.08
Western Mining	2.80	2.80
Westpac Banking	6.74	6.68
Woodside	5.38	5.40
[illegible]	3.15	3.13

All Ordinaries Index : [illegible]
Previous : [illegible]

Toronto

	Close	Prev.
Abitibi Price	13½	13¾
Agnico Eagle	11	11
Air Canada	12⅝	12⅝
Alberta Energy	19⅜	19¼
Am Barrick Res	36	36
BCE	[illegible]	[illegible]
BCED	1.30	1.30
Bk Nova Scotia	16⅝	16¼
BC Gas	[illegible]	15
BC Phone	18	18
BP Canada	[illegible]	[illegible]
Bramalea	[illegible]	[illegible]
Brunswick	11⅛	11⅛
CAE	[illegible]	[illegible]
Campeau	5⅛	5⅛
CIBC	N.Q.	[illegible]
Canadian Pacific	[illegible]	[illegible]
Can Packers	[illegible]	[illegible]
Can Tire A	[illegible]	[illegible]
Cantor	[illegible]	[illegible]
Cara	[illegible]	N.Q.
CCL Ind B	[illegible]	[illegible]
Cineplex	[illegible]	[illegible]
Cominco	[illegible]	[illegible]
Conwest Expl A	N.Q.	—
Corona A	[illegible]	[illegible]
Denison Min B	4.40	4.40
Dickenson Min A	[illegible]	N.Q.
Dofasco	[illegible]	[illegible]
Dylex A	N.Q.	—
Echo Bay Mines	[illegible]	[illegible]
Equity Silver A	4.15	[illegible]
FCA Intl	N.Q.	[illegible]
Fed Ind A	[illegible]	[illegible]
Fletcher Chall A	[illegible]	[illegible]
FPI	[illegible]	[illegible]
GoldCorp	4.90	4.95
Grafton Group	N.Q.	7
Gulf Cda Res	[illegible]	[illegible]
Hees Intl	[illegible]	[illegible]
Hemlo Gld Mines	[illegible]	[illegible]
Hollinger	[illegible]	[illegible]
Horsham	11	11
Hudson Bay	[illegible]	[illegible]
Imasco	[illegible]	[illegible]
Inco	[illegible]	[illegible]
Interhome	[illegible]	44
Jannock	[illegible]	[illegible]
Labatt	[illegible]	[illegible]
Loblaw Co	[illegible]	[illegible]
Mackenzie	[illegible]	[illegible]
Magna Intl A	[illegible]	[illegible]
Maritime	[illegible]	[illegible]
Mark Res	[illegible]	[illegible]
MacLean Hunt X	18	[illegible]
Nelson A	[illegible]	[illegible]
Noma Ind A	[illegible]	[illegible]
Noranda	N.Q.	[illegible]
Noranda Forest	[illegible]	[illegible]
Norcen Energy	[illegible]	[illegible]
Nova Corp	[illegible]	[illegible]
Oshawa	[illegible]	[illegible]
Pagurin A	[illegible]	[illegible]
Placer Dome	[illegible]	21
Poco Petroleum	[illegible]	[illegible]
PWA Corp	[illegible]	[illegible]
Quebec Sturgeon	N.Q.	1.30
Rayrock	N.Q.	[illegible]
Renaissance	[illegible]	[illegible]
Rogers B	[illegible]	[illegible]
Rothmans	N.Q.	[illegible]
Royal Bank Can	[illegible]	[illegible]
Royal TrustCo	[illegible]	[illegible]
Sceptre Res	[illegible]	[illegible]
Scott's Hosp	[illegible]	[illegible]
Seagram	[illegible]	[illegible]
Sears Can	[illegible]	[illegible]
Shell Can	[illegible]	[illegible]
Sherritt Gordon	[illegible]	[illegible]
SHL Systemhse	[illegible]	[illegible]
Southam	[illegible]	[illegible]
Spar Aerospace	[illegible]	[illegible]
Stelco A	[illegible]	[illegible]
Teck B	[illegible]	[illegible]
Thomson News	[illegible]	[illegible]
Toronto Domn	N.Q.	[illegible]
Torstar B	[illegible]	[illegible]
Transalta Util	[illegible]	[illegible]
TransCda Pipe	[illegible]	[illegible]
Triton Finl A	[illegible]	[illegible]
Trimac	[illegible]	[illegible]
Trizec A	[illegible]	[illegible]
Turbo Resources	[illegible]	[illegible]
Unicorp A	[illegible]	[illegible]
Woodward's Ltd.	[illegible]	[illegible]

TSE 300 Index : [illegible]
Previous : [illegible]

Markets Closed

The stock markets in Tokyo, and Zurich were closed Tuesday for a holiday.

هكذا من الأصل

With a Panafax in your office...
Panasonic
Office Automation OA

Herald Tribune (International)
BUSINESS/FINANCE
WEDNESDAY, JANUARY 3, 1990

...you're leaving it in good hands.
Panasonic
Office Automation OA

MEDIA MARKETS

Getting Personal: New Ad Lists Subscribers' Names

By Paul Farhi
Washington Post Service

WASHINGTON — Magazine ads don't just sit there anymore. They play electronic jingles, light up, spew perfumed scents and even simulate human speech. They come dressed up with holograms, three-dimensional pop-ups and moving displays.

And now, in another marriage of technology and publishing salesmanship, a magazine ad will address readers by name. Each of 9 million subscribers to U.S. editions of Time, Sports Illustrated and People will find their names emblazoned on an ad for American Isuzu Motors in Jan. 15 issues of the magazines, due out Jan. 8.

Thanks to a sophisticated printing process, the advertisement not only will place the names on a special card but will also include the location of the Isuzu dealer nearest the reader's home.

> 'We think this works a lot harder than a regular ad.'

"We call it a page-stopper," said Jon Bucci, who supervises the Japanese automaker's account for the advertising agency Della Femina, McNamee WCRS in Los Angeles. "As you're reading the magazine hopefully you'll do a double take. We think this works a lot harder than a regular ad."

Beyond simple attention-getting, officials at Time-Warner Inc., which publishes the three magazines, hope personalized ads will lure U.S. advertisers away from direct mail and newspapers.

Such ads will give advertisers the ability to promote their local outlets in national magazines, just as they can do now through local newspapers, said Bruce Judson, director of marketing for Time-Warner's magazine unit. The mass circulation of the magazine ads also will allow marketers to offer premiums and incentives the way direct-response advertisers do. Isuzu, for example, is offering a free phone or movie video to readers who take the card accompanying the ad to a dealer.

The special Isuzu ad is not unprecedented. Direct-mail advertisers have been producing personalized pitches for about 10 years, and several smaller magazines, such as American Baby, have carried advertising featuring subscribers' names.

TIME'S PRIMARY COMPETITOR, Newsweek, said it ran an ad for L.L. Bean, the outdoor-gear company, imprinted with subscribers' names in 2.5 million copies of its Sept. 4 edition. "We can do anything Time can do," said Diana Pearson, a Newsweek spokeswoman.

Time Warner, however, said the Isuzu ad will reach one in 10 households in the United States, making it the broadest use of ink-jet technology to date.

On the strength of the magazines' mass circulation, the company expects to collect about $25 million in 1990 by selling personalized ads to retailers, hotel companies, insurers and other companies that market their services or products through local dealerships or stores.

"This goes way beyond just another gimmick," Mr. Judson said. "If something works, people will use it."

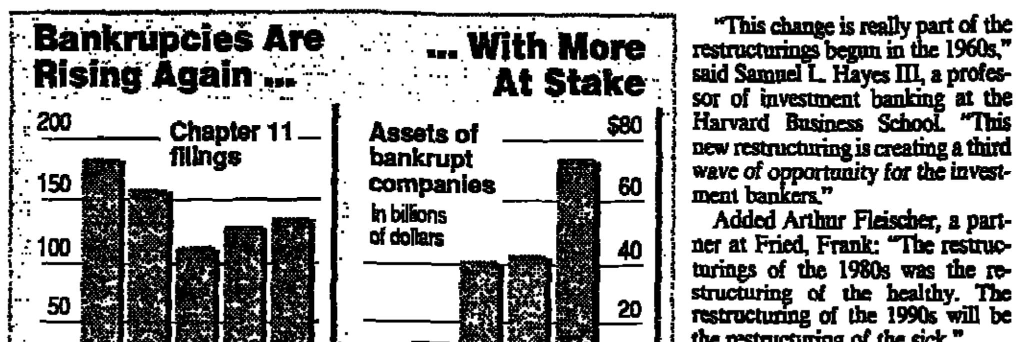
Mr. Bucci isn't so sure. He points out that the novelty of the ads could make them short-lived, much like the scratch-and-sniff ads of yore. "Once our ad hits the market, interest will wane for others," he said.

The cost of imprinting ads may also discourage some advertisers from playing the name game. Neither Time nor Isuzu will reveal precisely how much Isuzu will pay, but Mr. Judson said ink-jet printing costs 35 percent to 60 percent more than the standard rate of $310,000 for full page ads in Time, People and Sports Illustrated. That's a big bite out of Joe Isuzu's wallet, especially for an ad that will appear only once and considering the automaker's total annual ad budget is $12 million.

As a complement to ink-jet printing, Time-Warner and Newsweek will shortly introduce a process called selective binding. This will permit advertisers to place their ads in only those copies of a magazine that reach a specific target audience.

Wall Street in the 1990s: Deal Unmakers

By Kurt Eichenwald
New York Times Service



The New York Times

NEW YORK — With highly leveraged deals like the recent purchases of Resorts International Inc. and Federated Department Stores coming unraveled, U.S. investment banks and law firms see the makings of what may be a profitable business in the 1990s: saving companies that are drowning in debt.

"Failure is a growth business," said an investment banker, summing up the attitude on Wall Street.

Most firms are scrambling to become experts in the field. Major brokerage houses, including First Boston Corp., Shearson Lehman Hutton Inc. and Drexel Burnham Lambert Inc., are dedicating more resources to reorganizations and restructurings, setting off bidding wars for bankruptcy specialists.

Many are talking about putting up the money to buy the debt of troubled companies on the brink of bankruptcy, an activity that could provide new opportunities for merchant bankers whose business of backing buyouts has fizzled.

Likewise, securities law firms with specialties in bankruptcy, like Weil, Gotshal & Manges; Fried, Frank, Harris, Shriver & Jacobson, and Wachtell, Lipton, Rosen & Katz, are bracing for a flurry of new business.

"In the past nine months, we have been busier than we have ever been," said Michael Cook, partner in charge of the bankruptcy practice at Skadden, Arps, Slate, Meagher & Flom. "I think a lot more business is coming down the road."

Many of these banks and law firms are preparing to earn huge fees over the next few years correcting mistakes they helped make in the fast-paced, fast-money dealmaking days of the 1980s. Few on Wall Street find the concept odd. In their view, they merely act as architects for corporate chiefs who come to them with master plans.

"Wall Street survives not on the periods of ups or downs, it survives on volatility," said one investment banker. "As long as people need financial engineering, Wall Street will be involved and will be making money as a result."

In reality, making a profit by undoing its own deeds is a rich Wall Street tradition. These bankruptcy chasers, after all, are feeding off a phenomenon they helped set in motion two decades ago.

In the late 1960s, boardrooms were haunted by so-called conglomerateurs. Convinced that bigger was better, these empire builders thrived on acquisitions that were structured and financed by Wall Street brokerages.

In the 1980s, when the idea of an efficient conglomerate was finally debunked, Wall Street helped corporate raiders and takeover mavericks buy and break up the companies it helped build. And now, it is starting to repair the damage from its overzealous use of debt in those deals earlier in the decade.

"This change is really part of the restructurings begun in the 1960s," said Samuel L. Hayes III, a professor of investment banking at the Harvard Business School. "This new restructuring is creating a third wave of opportunity for the investment bankers."

Added Arthur Fleischer, a partner at Fried, Frank: "The restructurings of the 1980s was the restructuring of the healthy. The restructuring of the 1990s will be the restructuring of the sick."

But some investment bankers believe that reviving these sickly companies will be more difficult than Wall Street expects. These firms are now viewing failure with favor only because mergers are no longer generating fees.

Others believe that Wall Street has overestimated the amount of business that troubled companies will generate. "But I don't think there will be as much work to do in this area as people are planning for," said Richard I. Beattie, a partner with Simpson, Thatcher & Bartlett and an advisor to Kohlberg, Kravis, Roberts & Co., the New York buyout firm.

Joseph Perella, a founding partner of Wasserstein, Perella & Co., the merger specialist, agrees. "There is nothing happening today that hasn't happened before," he said, adding that partners in a fund managed by the firm are neverthe-

See FAILURE, Page 11

U.S. Indicators Spur Sharp Rise In the Dollar

By John M. Berry
Washington Post Service

WASHINGTON — Economic indicators that showed a stronger-than-expected U.S. economy on Tuesday sparked a rise in the dollar that apparently led the Federal Reserve to intervene at least four times in the currency markets.

The manufacturing sector of the economy declined last month for the eighth month in a row but by the smallest margin since June, according to the National Association of Purchasing Management's monthly economic survey.

Meanwhile, the Commerce Department reported that construction spending hit a 10-month high in November, with residential building spurred by lower home-mortgage interest rates and public construction by rebuilding after Hurricane Hugo and the San Francisco Bay-area earthquake.

Analysts said the two reports suggest that while the economy will probably expand very slowly early this year, there is sufficient underlying strength that a recession is still unlikely.

The announcements sent the dollar soaring in New York on Tuesday morning. The Federal Reserve Board intervened several times, selling dollars for yen. The U.S. currency nonetheless continued to advance.

The optimistic economic reports also boosted shares on the New York Stock Exchange on Tuesday.

Manufacturing was the weakest part of the economy for most of last year, with the automobile and other durable goods industries the weakest of the weak in recent months. The number of factory jobs has dropped sharply since last March, and many analysts expect to see a further decline when the Labor Department issues its December report on the labor market Friday.

But even in manufacturing, things are not getting worse as fast as they were. The purchasing managers' index rose to 48 percent last month from 46.6 percent in November. A figure below 50 percent indicates the manufacturing sector is generally declining, but the rise in the index suggests the decline was slowing.

Factory production rose for the first time since June and the level of new orders expanded for only the second time since then. However, other indicators pointed toward continued weakness.

In the report on construction spending, the Commerce Department said the overall total rose 1.5 percent last month to a seasonally adjusted annual rate of $421.7 billion as government building rose 7 percent. The November rate was the highest since January's $423 billion, the department said.

Government outlays for roads, buildings and other structures ran at a $91.4 billion rate. Residential spending increased 0.6 percent, to a $194.4 billion, with a 1.5 percent gain in single-family housing and a 4.7 percent jump in apartment building.

"What we're seeing here is a response by builders to lower mortgage rates and increased sales," said David Berson, chief economist of the Federal National Mortgage Association. While he said he expects construction to edge up for the next several months, he added that "I don't think we're going to see any surges because builders will remain very cautious."

Still, if the housing industry has hit bottom and manufacturing shows signs of doing the same before long, the outlook for the U.S. economy in 1990 may not be too bleak.

Not all the news was encouraging for the economy on Tuesday, however. The leading U.S. automakers reported sharply lower sales for the middle of December, although the decline had been expected after a strong period the year before.

On a daily-rate selling basis, General Motors Corp. said its U.S. car sales fell 21.6 percent, to a total 73,157 units. Ford Motor Co. said its sales fell 33.2 percent, to 40,688, while Chrysler Corp. reported a fall of 33.7 percent, to 20,140.

Why Junk-Bond Turmoil Is Likely to Persist

By Anise C. Wallace
New York Times Service

NEW YORK — The turmoil in the U.S. junk-bond market that began in the middle of 1989 shows no sign of easing soon. Although intermittent price rallies may occur, the outlook for the once-lucrative $200 billion market is so shaky that most bankers and investors are just trying to limit their losses.

"The second half of 1989 has given us a vision of the future," said Michael F. Holland, the president of Salomon Asset Management, the investment management arm of Salomon Inc.

The market for these high-yield, high-risk bonds seems to be experiencing setbacks on every front. Prices of the more speculative junk bonds have dropped steadily since last June and are now down by more than 20 percent.

Last week, Hillsborough Holdings Corp., a company formed by the leading buyout banker, Kohlberg, Kravis, Roberts & Co., filed for bankruptcy protection. Hillsborough is the biggest leveraged-buyout company to enter Chapter 11 bankruptcy proceedings, but several others have encountered serious problems.

Michael R. Milken, who created the modern junk-bond market, resigned from Drexel Burnham Lambert Inc. a year ago and has been indicted on charges of securities law violations and racketeering. For its part, Drexel has been battered, posting losses last year.

"I don't think there's anybody on Wall Street who isn't sitting there with a reasonable loss," said Raymond J. Lemanski, the co-head of junk-bond sales and trading at Prudential-Bache Securities Inc.

With profits from junk bonds scarce, investment bankers will commit less capital to trading in the secondary market, sapping liquidity and increasing the size of price swings in a more thinly traded market.

Mr. Milken helped stabilize the market, the traders say. Critics often contended that prices in the market were inflated by Mr. Milken, who uniquely controlled the financing, distribution, secondary trading and pricing of most securities in the market.

But the bonds' prices are also weak, analysts say, because investors are asking whether the golden era for leveraged buyouts is over.

Investors began selling these high-risk bonds in earnest last spring when they realized that corporate profits were weakening, when indebted companies received lower-than-expected prices for businesses they were selling to finance their debts, and when large investors began selling their portfolios.

Despite its difficulties, the junk-bond market will not wither and die, the analysts agree.

Institutional investors and Wall Street bankers say they will continue to provide credit for well-managed companies that, because they recently emerged from a turnaround or because of other reasons, are deemed by credit-rating agencies to be below investment grade.

Texas Air Units Move Both Ways on Fares

Reuters

NEW YORK — Airline subsidiaries of Texas Air Corp. announced Tuesday divergent moves in fares, with Eastern Airlines deepening discounts and Continental Airlines pushing prices higher in line with fuel costs.

Eastern Airlines, the troubled carrier that remains in bankruptcy, said that it plans to cut discounted fares on many of its flights within the United States by 25 percent to 45 percent below the lowest industry fares.

The airline said in a statement that the fares require a seven-day advance purchase and a two-night stay. The tickets are refundable, may be changed without penalty and can be used from Jan. 9 through May 1, excluding holiday blackout dates.

An Eastern vice president, George Brennan, said the fare cuts apply to between 90 percent and 95 percent of Eastern's domestic flights. Fares on those flights not included in the Tuesday initiative had been cut last week in response to general industry reductions.

"Our objective is to maximize revenues on board the airplanes," Mr. Brennan said. "This initiative is aimed at discretionary travelers."

Fares to Florida from most points in the East begin at $138 roundtrip, Eastern said, while travel to any city in Florida is $69 each way from Atlanta, assuming a roundtrip purchase.

Meanwhile, Continental said it would raise domestic and international airfares by 4 percent as a result of rising jet-fuel prices.

German Bonds Tumble to 5½-Year Low

Compiled by Our Staff From Dispatches

FRANKFURT — Interest rate and inflation fears pushed West German bond prices to five-and-a-half-year lows on Tuesday, even as the Frankfurt stock exchange reached a record high.

Berliner Handels- & Frankfurter Bank's index of federal bonds hit 99.07, a level it has not seen since Aug. 9, 1984.

The Bundesbank's average yield of public debt shot up to 7.80 percent from 7.60 percent on Thursday, the highest level seen in roughly the same period. West German markets were closed Friday and Monday for the New Year's holiday.

The central bank said its upcoming securities repurchase agreements would be at variable interest rates. Dealers said the market feared that this meant higher rates.

Comments on Sunday by Karl Otto Pöhl, the Bundesbank president, on the need to control European Community inflation, also weighed on the Frankfurt market and on futures trading in London. Other European bonds fell along with the bunds, as the West German government securities are known.

On the stock market, however, foreign buying lifted the DAX index to a record, continuing the upward trend of late last year. The gauge rose 24.01 points, or 1.3 percent, to 1,814.38.

Dealers said demand on Monday concentrated on blue-chip shares, with interest reported from London and Tokyo, even though Japanese markets were closed.

"There has been massive buying of blue chips and people are just not ready to sell at these levels," said one trader.

The market has risen steadily in the last two months on speculation that West German companies stand to gain more than other European concerns from economic and political liberalization in Eastern Europe.

But the hopes for economic change in East Europe have sparked fears of the inflationary impact of strong West German growth on interest rates. Bund prices have been weakening as the stock market has surged.

Additionally, there have been indications of rising prices, a trend the Bundesbank is likely to fight.

"In another month there is a strong possibility of a rate hike, but at the moment the Bundesbank still has not enough information to move interest rates," said Dirk Morris, international economist at Shearson Lehman Hutton Inc. in London. *(Reuters, AFP)*

■ Banks Buy Preussag Stake

A group of banks has acquired 15 percent of the nominal capital in Preussag AG and plans to raise its stake to 25.1 percent to safeguard the interests of the state of Lower Saxony, Reuters reported from Hanover, West Germany.

WestLB is a member of the group, which formed Niedersaechsische Holding GmbH, to buy the stake in the metals and commodities company and protect Lower Saxony jobs. WestLB will maintain a 30 percent direct holding in Preussag, a spokesman said.

The holding company also includes Dresdner Bank AG and two Hanover-based banks, Norddeutschen Landesbank Girozentrale and Norddeutschen Genossenschaftsbank AG.

The four banks will each own 25 percent of Niedersaechsische Holding, the WestLB spokesman said.

Preussag in 1988 bought Salzgitter AG, a metals and energy company, from the West German government for about 2.4 billion Deutsche marks ($1.41 billion). Both concerns are based in Lower Saxony.

Ernst Albrecht, the Lower Saxony premiercq, said it had been agreed the holding company would safeguard the interest of Lower Saxony.

CURRENCY RATES

Cross Rates Jan. 2

	$	£	D.M.	F.F.	H.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	1.984	3.0915	1.1295	0.3305	0.1387 *	—	5.249 *	1.229	1.321 *
Brussels(a)	35.485	57.825	21.042	6.154	N.A. *	18.6325	—	22.87	0.2464
Frankfurt	1.6861	2.739	—	0.2925	0.1224 *	0.8855	4.751 *	1.0883	1.1715 *
London (b)	1.6725	—	2.75	9.395	2,002.00	3.1055	57.875	2.5365	235.545
Milan	1,265.00	2,052.40	749.90	219.40	—	664.16	35.644	815.44	8.783
New York(c)	—	1.6895 b	1.713	5.8525	1,264.00	1.9345	35.625	1.5815	144.55
Paris	5.7635	9.3645	3.4186	—	0.456 *	3.027	0.1625	3.7182	4.002 *
Tokyo					Closed				
Zurich					Closed				
1 ECU	1.9861	0.7392	2.0257	6.9244	1,518.63	2.288	42.6235	1.8614	172.899
1 SDR	1.3177	0.8121	2.2217	7.5943	1,446.84	2.5082	46.7572	N.Q.	N.Q.

Closings in London and Zurich, fixings in other centers. New York closing rates.
*a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	1360.0	Fin. markka	4.0385	Mex. peso	2670.00	S. Afr. rand	2.50
Austral. $	1.2666	Greek drac.	156.20	N. Zealand $	1.68463	Soviet ruble*	0.6072
Austr. schil.	11.87	Hong Kong $	7.806	Nig. naira*	5.2995	Span. peseta	109.50
Brazil cruz.	11.00	Indian rupee	17.007	Norw. krone	6.576	Swed. krona	6.195
Canadian $	1.157	Indo. rupiah	1784.00	Phil. peso	22.04	Taiwan $	25.96
Chinese yuan*	4.72	Irish £	0.6408	Port. escudo	148.00	Thai baht	25.61
Danish krone	6.576	Israeli shek.	1.93	Saudi riyal	3.748	Turkish lira	2293.00
Egypt. pound	2.5732	Kuwaiti dinar	0.29	Sing. $	1.8985	UAE dirham	3.67
		Malay. ring.	2.6975	S. Kor. won	680.40	Venez. boliv.	43.30

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6119	1.6039	1.5954	Canadian dollar	1.1628	1.1661	1.1695
Japanese yen	144.18	143.94	143.79	Swiss franc	1.5514	1.5530	1.5490
Deutsche mark	1.6870	1.6870	1.6849				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits Jan. 2

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	8⅛-8¼	8 1/16-8 3/16	9 1/16-9 3/16	15 1/16-15 3/16	11⅛-11¼	6⅛-6¼	11 1/16-11 3/16	9
2 months	8⅛-8¼	8⅛-8¼	9 1/16-9 3/16	15 1/16-15 3/16	11 1/16-11 3/16	6⅛-6¼	11 1/16-11 3/16	8⅞
3 months	8⅛-8¼	8⅛-8¼	9⅛-9¼	15-15⅛	11⅛-11¼	6 3/16-6 5/16	11 1/16-11 3/16	8⅞
6 months	8⅛-8¼	8 1/16-8 3/16	8 15/16-9 1/16	14⅞-15	11⅛-11¼	6 3/16-6 5/16	11⅜-11½	8 ¾
1 year	8⅛-8¼	8 1/16-8 3/16	8 15/16-8 15/16	14 7/16-14 9/16	11½-11⅝	6⅛-6¼	11¼-11⅜	8 ¾

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates Jan. 2

	Close	Prev.
United States		
Discount rate	7.00	7.00
Prime rate	10½	10½
Federal funds	8½	9½
Com paper 90-179 days	7⅞	7⅞
3-month Treasury bills	7.54	7.55
6-month Treasury bills	7.47	7½
1-year Treasury bills	7.26	7.32
30-year Treasury bond	101 15/32	101 22/32
2-month CD's	7.85	7.85
3-month CD's	7.85	7.85
Japan		
Discount rate	4¼	4¼
Call money	Clsd.	6½
2-month interbank	—	6⅝
3-month interbank	—	6⅝
West Germany		
Discount rate	6.00	6.00
Lombard rate	8.00	8.00
Call money	8.10	8.10
1-month interbank	8.30	8.05
3-month interbank	8.30	8.05
6-month interbank	8.40	8.20
Britain		
Bank base rate	15.00	15.00
Call money	15⅝	15⅝
3-month interbank	15⅛	15 3/16
6-month interbank	15.00	15 1/16
France		
Intervention rate	10.00	10.00
Call money	11⅛	11.00
1-month interbank	11⅛	11⅛
3-month interbank	11⅛	11 3/16
6-month interbank	11⅛	11 3/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits Jan. 2

1 month	8¼ - 8⅜
2 months	8¼ - 8⅜
3 months	8¼ - 8⅜
6 months	8 ⅛ - 8 ¼
1 year	8⅛ - 8¼

Source: Reuters.

U.S. Money Market Funds Jan. 2

Merrill Lynch Ready Assets
30-day average yield: 7.98
Telerate Interest Rate Index: 8.076
Source: Merrill Lynch, Telerate.

GOLD Jan. 2

	A.M.	P.M.	Ch'ge
Hong Kong	403.65	403.25	+ 2.50
Luxembourg	403.00	—	+ 1.95
Paris (12.5 kilo)	402.53	402.04	— 0.99
Zurich	—	Closed	—
London	401.65	399.00	— 2.00
New York	—	399.75	— 1.50

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Argentina Tries to Prop Up the Austral

By Shirley Christian
New York Times Service

BUENOS AIRES — As grocery store workers were busy doubling prices and pharmacies opened with nearly bare shelves, the government of President Carlos Saúl Menem launched a new program on Tuesday to turn back inflation by making Argentina's currency, the austral, a scarce commodity.

The government said it would print no more australs, despite inflation that may have reached 100 percent just since Christmas, and urged people to hold onto to those they have until prices begin to retreat.

Economy Minister Erman González promised that the plan he announced late Monday "will allow the austral to stop being the symbol of our self-destruction."

Although some political leaders expressed concern about social unrest, the public faced Tuesday's situation with calm. Most people seemed to be trying to follow Mr. González's suggestion and avoid buying anything but necessities. Banks and foreign exchange houses were ordered to remain closed Tuesday, which probably contributed to the sense of calm.

Antonio Cafiero, governor of the province of Buenos Aires and leader of Mr. Menem's Justicialist Party, said the economic situation "is becoming insufferable for the majority of Argentines." He also said the current economic chaos is worse than that preceding the 1976 military coup against the government of former President Isabel Perón.

At that time, he said, the foreign debt was just 10 percent of the more than $60 billion that it totals now, the country was producing 15 percent more in goods and services and there was full employment.

Last week, commanders of all three military branches made separate statements warning that the economic situation is putting democracy at risk but insisted that they continued to support the civilian government. This is thought to be the first time military leaders have spoken out on a political or economic matter not directly related to the armed forces since giving up power at the end of 1983.

Besides idling the mint's presses, the new policies announced by Mr. González included the halting of cash payments of interest on internal-debt bonds and on large short-term deposits in banks — both favorite investment instruments of speculators here — plus measures to attract into the exchange markets some of the large store of dollars held by big corporations.

While rejecting the idea of outright "dollarization" of the economy that had been proposed last week by some Menem advisers, Mr. Gonzalez said Argentina was seeking emergency credits from the U.S. Treasury and the International Monetary Fund to increase hard-currency reserves.

Argentine inflation peaked at 200 percent for one month in July, as Mr. Menem was succeeding Raúl Alfonsín as president. Wage and price accords quickly brought down the monthly inflation to a single digit and the new government promised to reduce public expenditures and sell off big, inefficient state firms as part of a broad economic restructuring.

The promised restructuring has been slow, accompanied by squabbling and resignations within the Menem economic team. At the beginning of this month prices took off again, as did financial speculation in the large markets involving dollars and government debt.

Before Christmas, economists were predicting that December inflation would total 50 percent, but last week it appeared to soar far beyond that. Official figures have not been released.

At the same time, the austral collapsed on foreign exchange markets. Last Thursday, it closed at just under 2,000 to the dollar, compared with 1,200 a week earlier and 650 at the start of December.

Part of the reason for the periodic runs on dollars here is the glut of cash in australs that comes onto the market every seven days when banks pay off the interest on short-term deposits or when holders of government debt paper collect the interest.

Mr. González said the government has decided to dry up that periodic flood of australs — which speculators generally use to buy dollars — by paying the interest in long-term, dollar-denominated bonds that will pay dollar interest at relatively low international rates.

Buenos Aires Debt Prices Fall as Economic Ills Rise

Reuters

LONDON — Argentina's economic crisis pushed down the price of the country's debt on the secondary market for sovereign loans Tuesday to around 12.75 percent of face value from 13.75 percent last week.

Traders said Argentina's position with the International Monetary Fund is now in question. The Fund's $1.4 billion standby facility was dependent on the country meeting targets in inflation and the fiscal deficit which now look impossible.

On Monday, Argentina's economy minister, Antonio Erman González, announced a further batch of measures designed to rescue the country from its slide into hyperinflation, including restrictions on the money supply and a suspension of short-term time deposits.

Before Christmas, Mr. González had announced that the austral would be allowed to float against the dollar after a 34.8 percent devaluation. This came soon after a crisis of confidence in the Buenos Aires financial markets and another big drop in the value of the austral.

Dealers said the reaction of the financial markets on Wednesday was awaited with interest. The government decreed a bank and foreign exchange market holiday on Tuesday.

Panamanian debt, meanwhile, continued to be marked higher but there was a dearth of government paper. Traders quoted the debt at between 12 and 15 percent.

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NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

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(Continued on next left-hand page)

NYSE Highs-Lows

AMEX Highs-Lows

NASDAQ

Tuesday's Prices

NASDAQ prices as of 4 p.m. New ... list compiled by the AP, consist... traded securities in terms of do... updated twice a year.

(Continued on next left-hand page)

Tate & Lyle Sells American Motor Interests

Reuters

LONDON — Tate & Lyle PLC, the diversified British sugar company, said Tuesday it has agreed to sell its U.S. and Canadian auto parts business to a subsidiary of Onex Corp. of Toronto for $179.5 million in cash and securities.

A Tate & Lyle statement said the proceeds would be used to reduce debt.

The business contributed pretax profit of £8.0 million ($12.9 million) in the year ended September 1989 and had net assets of £88.6 million.

The auto parts business was a division of Redpath Industries Ltd., of which Tate & Lyle acquired the outstanding minority interest after a tender offer in April. Redpath owned major Canadian sugar refiners.

Tate & Lyle said the auto parts did not fit its strategic commitment to sweeteners.

Default Delay Bolsters Campeau

Reuters

TORONTO — Campeau Corp.'s stock price rose Tuesday, following unconfirmed reports that lenders had decided not to declare the troubled company's U.S. retailing subsidiaries in default, at least for now.

Citibank NA, which is owed $2.34 billion by the Campeau-owned companies Federated Department Stores Inc. and Allied Stores Corp., would not comment on published and broadcast reports in Toronto and New York that it had refrained from declaring the units in default on Sunday.

Campeau's stock price rose by 20 Canadian cents, to 3.85 Canadian dollars ($3.33), on the Toronto Stock Exchange, while it gained 31 U.S. cents to $3.313 on the over-the-counter market in the United States.

"We can confirm that discussions have been under way" in connection with the Campeau case, said John Maloney, spokesman for Citibank; but he added, "we will otherwise not comment on client matters."

Citibank informed Campeau's U.S. retail units on Dec. 21 that they had until the end of 1989 to prove that they were solvent, or the bank might force early repayment of its loans.

A spokeswoman for Toronto-based Campeau would not comment on the reports and said that no new statement had been released. She declined to say if one was imminent.

In filings with the U.S. Securities and Exchange Commission last month, both Campeau units said they could not determine whether they were still solvent. They said then that they might file for bankruptcy in late January.

Citibank said such a failure to confirm the companies' solvency was a breach of its loan agreements.

The Campeau-controlled companies own the Bloomingdale's, Abraham & Straus, Jordan Marsh and other U.S. retail chains.

Analysts have said that if default were declared on the Citibank loan, Allied and Federated might have to seek protection under Chapter 11 of the U.S. bankruptcy code. However, such a move would not affect the better-managed Campeau stores.

A filing decision would have to be made by late January, when the restructuring committee created by Campeau in September will present either a voluntary reorganization plan or a recommendation that it reorganize under Chapter 11.

The September announcement proposed, in addition to restructuring, the sale of Bloomingdale's, the flagship store. Several bids have been made — Tokyu Department Stores Co. of Japan and the New York developer, Donald J. Trump, are known to have expressed interest — but no agreement has been announced.

Troubled Allegheny Sells Rest of Titanium

United Press International

PITTSBURGH — The troubled Allegheny International Inc. announced Tuesday that it will sell its remaining interest in Titanium Metals Corp. of America to the Houston-based Baroid Corp.

Baroid has agreed to pay $50 million for Allegheny's stock in Titanium and a related $3.25 million note payable by Titanium Metals of Pittsburgh, officials said. Additional cash could be payable if Titanium or Baroid sought to sell the Pittsburgh concern before 1992.

Luchaire's Explosives Unit To Be Run by State Firm

Agence France-Presse

PARIS — The Luchaire group has ceded management of its explosives and munitions subsidiary, Luchaire Defense, to the state-owned Pro-GIAT, the two companies said Tuesday.

Under a five-year agreement, which took effect Monday, Promotion du Groupement Industriel des Armements Terrestres will take over the management and strategy of the Luchaire defense interests in a new subsidiary called Luchaire Defense SA.

Both the Defense Ministry and Luchaire stressed that the Luchaire interests had not been nationalized. But Luchaire said that the deal left the unit's future "completely open."

Luchaire defense interests employ 600 people and had revenue of 550 million francs ($95.0 million) in 1988 on products including anti-tank mines, rocket launchers and munitions.

The two companies said that the move was designed to make the commercial and industrial operations of the two groups, particularly in the export area, more efficient.

Luchaire had been accused in 1986 of supplying munitions to Iran in defiance of a French embargo, but the case was dismissed in June. The opposition has said that it will demand a parliamentary commission of inquiry into the alleged sales this year.

Separately, the French monopolies commission on Tuesday fined more than 43 electrical equipment companies a total of 128 million francs for collusion in tenders for state contracts between 1983 and 1987.

Those fined include Cegelec of the CGE group and several Schneider subsidiaries.

In a statement, the commission said the companies had "shared out the market by exchanging information on the amount of their tenders."

Bank of Boston Net Hit By Loan Woes

Writeoffs Cut Profit by $300 Million

Compiled by Our Staff From Dispatches

BOSTON — Bank of Boston Corp. said Tuesday that its earnings for the fourth quarter of 1989 would be reduced by about $300 million largely because of problem real-estate loans and a contracting New England economy.

The bank's move comes as other institutions in New England also have responded to uncertainty in the economy. Last week, for instance, the Bank of New England said it expected to report a "substantial" loss for the year because it had to boost reserves to cover bad real estate loans.

Bank of Boston, a large regional banking company, also said that it had added $280 million to its loan-loss reserves to cover future losses.

However, Bank of Boston's chairman and chief executive, Ira Stepanian, said the company expected to break even for the three months ended Dec. 31, and earn a profit for the full year.

He said Bank of Boston would realize a $145 million pre-tax gain from the previously announced sale of its $590 million credit-card operation to Chase Manhattan Corp. of New York, and a $50 million gain from the funding of a portion of its pension obligations with annuity contracts.

Net income for the first nine months of 1989 totaled $62 million.

Mr. Stepanian said the reserve and charge-off actions reflect the corporation's response to the New England economy's further deterioration in the fourth quarter and to continuing uncertain economic conditions for 1990.

About half of Bank of Boston's $300 million in net charge-offs, or $140 million, were for loans related to real estate, said Wayne J. Taylor, a company spokesman. About $40 million is due to problem loans to Third World countries, he said.

"Given the uncertainty of the economic environment generally and in New England, we thought taking this kind of action would be prudent," Mr. Taylor said.

Bank of Boston said credit-loss reserves totaled $925 million, or about 85 percent of an estimated $1.1 billion in nonaccrual loans and leases, in the fourth quarter.

For the quarter ended Sept. 30, the bank reported nonaccrual loans and leases of $1.5 billion and a credit-loss reserve of $942 million, or 62 percent.

Mr. Stephanian added that under its agreement with Chase, Bank of Boston will continue to offer a private-label credit card.

Separately, GE Capital Corp, a General Electric Co. subsidiary, said it signed a letter of intent to acquire McCullagh Leasing Inc. from Bank of New England Corp. for undisclosed terms.

GE Capital said McCullagh is a vehicle fleet leasing company.

The transaction is subject to a definitive agreement and regulatory approval, GE Capital said. The parties expect to close the deal in February, the company added.

James A. Culotta will continue as president of McCullagh. GE said McCullagh will operate as a separate entity under its GE Capital Fleet Services.

(AP, Reuters)

FAILURE: *As U.S. Companies Stagger Under Debt, Wall Street Firms Gear Up for a New Growth Industry*

(Continued from first finance page)

less interested in becoming principals in distressed companies.

In the short run, there may be enough business to go around. Many of those companies that so rambunctiously used high-yield junk-bond debt to finance acquisitions or to thwart hostile takeover efforts in recent years have been unable to make interest payments, causing the rate for junk bonds to rise to its highest level since 1986.

An estimated 5.7 percent of the companies that have issued such bonds have defaulted, according to Moody's Investor Service.

Although the number of filings for Chapter 11 has declined slightly since the mid-1980s, the assets involved have shot up sharply, giving Wall Street a lot to work with. Through Dec. 15, 133 companies, with more than $70 billion in assets, filed for Chapter 11. That compares with 159 filings, involving $12.7 billion in assets, in 1986.

The assets have swelled because bigger companies are falling. Consider some of the recent filings: L.J. Hooker Ltd., the Australian developer that purchased Bonwit Teller and B. Altman; Resorts International, the casino firm purchased last year by Merv Griffin, and Revco D.S., the drugstore chain that took itself private in a leveraged buyout.

To prepare for the rash of new business, firms without expertise in reorganizations are looking to establish a presence.

For example, both Oppenheimer & Co. and Dean Witter Reynolds Inc., neither of which is known as a power in investment banking, are on the prowl for bankers with such specialties.

Virtually every major Wall Street investment bank with specialists in the field are adding more of them. "These reorganizations are a new focused strategy in the investment-banking business," said Michael D. Madden, co-head of investment banking at Shearson Lehman. "Salvaging something out of these troubled situations is a positive goal."

Drexel Burnham Lambert, which essentially created the modern junk-bond market, has increased the number of employees working on reorganizations each of the last two years. "Reorganizations are going to be a good part of our business in 1990," said Frederick H. Joseph, the chief executive of the firm.

Salomon Brothers has given restructurings and reorganizations the highest priority in investment banking in terms of new resources. "We are going to be dedicating more people to it full time," said William H. Strong, the head of investment banking at the firm.

To identify candidates, these specialists look for junk debt that is trading at low values or for other signs that an issuer might soon be a candidate for restructuring or reorganization. Shearson has already identified two dozen companies in this category, which are in businesses as diverse as retailing and publishing.

At Shearson, the executives who specialize in reorganization work in a group with the firm's mergers specialists and with its merchant bankers. That gives the firm the ability to play different roles with a troubled company.

> **'Wall Street survives not on the periods of ups or downs, it survives on volatility.'**
>
> **A U.S. investment banker.**

After all, while firms are interested in taking an advisory role in restructurings, most are even more keen on acting as principals in these deals. "The big money in this game is going to come from the firms that know how to work as a principal," said the head of investment banking at a large brokerage firm. "The advisory roles will earn money, but not as much."

Acting as a principal, an investment bank with a lot of cash might buy the debt of a company even before it files for Chapter 11 to avoid the trammas of dealing with the court.

Creditors get more money than they might otherwise, and get it immediately. The company gets a capital infusion, potentially ending its troubles. And the investment house purchases debt at a rock-bottom price that it can swap on the market for another asset.

The role, however, could put investment banks in an adversarial position with management, a role they are unaccustomed to. "When you play as principal, you go against management which wants to go down with the ship," or fight until the last possible moment, said an investment banker.

What's the next big target for these specialists? Many believe that Campeau Corp., the Canadian real estate developer, is destined for Chapter 11.

"Campeau is going to be a symbol of the excesses of the 1980s," said an investment banker involved in the Campeau situation, predicting that company will "set the agenda for the decade."

Campeau is now staggering under the enormous debt it assumed last year in the $6.6 billion purchase of Federated Department Stores, which own Bloomingdale's, Abraham & Strauss, Jordan Marsh and other U.S. retail chains.

Campeau, which had hoped to use the department stores as flagships for shopping malls it had planned to erect across the globe, received a $250 million cash infusion in September from Olympia & York, the Canadian developer, which invested the capital on the condition that the founder, Robert Campeau, relinquish his control of the company.

Yet most on Wall Street believe a restructuring will still be necessary. In fact, it is virtually impossible to find an investment bank or law firm with experience in restructurings that is not already involved in the Campeau situation. While some are working for Olympia & York to sell retail assets including Bloomingdale's, which it put on the block in September, others are representing parties interested in bidding for those assets.

"All of the advisors on Wall Street are going to max out on this deal if there is a filing," said one investment banker already involved in the Campeau situation. "You'll have every firm and his brother-in-law in the deal."

Campeau is attracting attention on Wall Street for several reasons. Unlike some companies in serious trouble, Campeau still has extremely valuable assets in its retail chains, which can be sold for a restructuring and to help pay the lawyers' and bankers' bills.

"Most firms would jump at the chance of representing the company, in large part because there are assets to pay the fees," one lawyer involved in the Campeau situation said.

The Campeau deal provides brokerages with a chance to catch up in their reorganization and bankruptcy efforts with First Boston, which is one of the leaders in the field. First Boston holds a $250 million bridge loan and an additional $250 million in Campeau paper, Wall Street sources say.

Not only could a bad twist of events at Campeau have an adverse effect on First Boston's bottom line, but if Campeau does file for protection under Chapter 11 bankruptcy, First Boston would likely move from the position of financial advisor to creditor.

■ MiniScribe Seeks Refuge

MiniScribe Corp., the U.S. disk-drive maker, said Tuesday it has filed a voluntary petition under Chapter 11 bankruptcy due to numerous shareholder and debenture holder lawsuits pending against it that it has been unable to settle, Reuters reported from Longmont, Colorado.

MiniScribe said the filing involves the U.S. parent company but does not affect Far East subsidiaries.

French Move to Strengthen Role of Chemical Firms

Reuters

PARIS — France announced Tuesday the start of a major shake-up of its fragmented state-owned chemicals sector, aimed at giving French companies more clout on world markets.

The Industry Ministry said that the oil and petrochemicals rivals Société Nationale Elf Aquitaine and Total-Compagnie Francaise des Pétroles would split the assets of state-owned Orkem to give both companies more weight in a sector increasingly dominated by foreign competitors.

A statement said the operation would allow Elf to form a group which, through boosting its international dimension, will operate both in basic and speciality chemicals. Total would be able to develop a coherent group of international stature for speciality chemicals.

The ministry gave no indication of the money involved.

The deal marks the first step in a wide-ranging restructuring that has been negotiated in recent months by industry chiefs and the industry minister, Roger Fauroux.

NASDAQ

Tuesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Eurotunnel to Get New Financing

Bankers Said to Agree on Additional £1 Billion Loan

Reuters

LONDON - Eurotunnel PLC is expected to announce next week an agreement with its bankers for around £1 billion ($1.61 billion) of new funds for the Channel tunnel project, a source close to the negotiations said.

"We can expect to see something resolved on or about next Friday," said the source, who asked not to be identified.

The funds are needed to meet higher project costs, now estimated at £7.2 billion to £7.5 billion, instead of the original £5 billion.

Eurotunnel's talks this week are with the consortium of over 200 banks which provided the original £5 billion financing, and its contractor Transmanche Link.

The original funding also included an additional £1 billion stand-by facility.

The source said Eurotunnel's forecast that the project will cost £7.2 billion is acceptable to the banks. However, Transmanche Link is holding out for £7.5 billion, based on higher estimates for lump sum works such as rail terminals and electrical fittings.

Industry sources said Transmanche Link rejected a recent report by an independent consulting engineer that backed Eurotunnel estimate.

Transmanche Link, a 10-member group of British and French contractors, could in theory withdraw its workers from the tunnel project rather than accept lower profits based on the lower cost estimate.

Industry sources said Transmanche Link was more likely to accept Eurotunnel's cost proposals in return for concessions on specifications to cut costs, such as a slight reduction in train speed in the tunnel.

Eurotunnel plans a £350 million to £400 million rights issue as part of the funding to be agreed with the bank consortium.

The group has said the rights issue could come in the spring of 1990, possibly supplemented by subordinate debt.

Eurotunnel received a boost to its cost estimates last month when it won approval for a plan to allow passengers to stay with their vehicles during the half-hour tunnel rail crossing.

Lafarge Cement Sales Rose in 1989 by 33%

Reuters

PARIS — The French cement maker Lafarge Coppée said group sales in 1989 rose by one third to 30 billion francs ($5.18 billion) from 22.5 billion francs in 1988. It gave no profit figure.

Lafarge also said a previously announced share split would become effective Jan. 4, with each old share becoming four 25-franc nominal shares. The split was approved by shareholders in June.

Arbed Foresees Lower 1990 Steel Profits

Reuters

LUXEMBOURG — Arbed SA, the Luxembourg steelmaker, expects lower profits this year because of higher raw materials costs and falling sales prices for some products, the managing board president, Georges Faber, said.

In an address to executives last month summarized in Arbed's internal newspaper, Mr. Faber said 1990 results would be well in the black, but "less impressive" than last year's.

Mr. Faber said that high stocks and "irresponsible" levels of production by a number of steelmakers were weighing on the market.

"This development, should it spread, harbors dangers that could cause painful damage," he said.

Metro and Asko Plan Retailing Joint Venture

Reuters

DUSSELDORF — Metro International AG announced plans on Tuesday to form a joint venture with Asko Deutsche Kaufhaus AG.

Asko will contribute its nearly 50 percent stake in the retailer Massa AG and Metro will contribute its stakes in retailers Primus/Meister, Huma and BLV, Switzerland-based Metro said in a statement.

The two companies will notify the West German Federal Cartel Office of the venture, called MNB Im- & Export Handels-AG.

Each company will own 50 percent of the venture, but Metro will own 76 percent of the voting shares.

Last month, Asko and Metro had said they were negotiating about cooperation in the retail area. No comment was immediately available from Asko.

Metro added that it would also notify the cartel office that it planned to combine some specialty stores owned by the Asko-Massa group and Metro n Deutsche SB-Kauf AG.

A cartel office spokesman said that the office had been informed of the venture and that it would be concerned about its possible effects on competition in West Germany's retail sector. "Metro would gain considerable competitive influence on Massa through the new venture," the spokesman said.

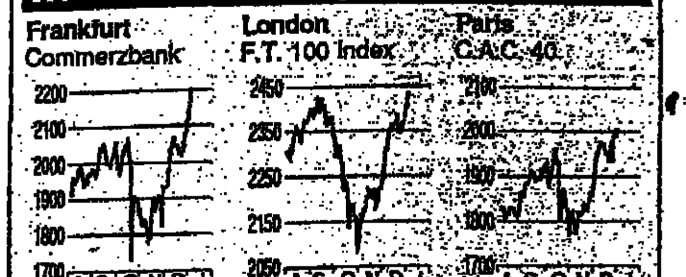
Metro also owns a majority stake in West Germany's second-largest retailer, Kaufhof Holding AG.

Metro said the two firms also intend to work on further joint projects in western and eastern Europe.

■ Babcock Omits Payout

Deutsche Babcock AG said Tuesday it plans to omit its dividend for the 1989 financial year on ordinary shares and only pay the guaranteed three Deutsche mark ($1.82) dividend on preference shares, Reuters reported.

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	CBS General	185.80	185.80	0.00
Brussels	Stock Index	6490.06	6476.39	+0.21
Frankfurt	Commerzbank	2203.60	2190.20	+0.61
Frankfurt	DAX	1814.38	1790.37	+1.34
Helsinki	UNITAS	609.00	609.00	0.00
London	Financial Times 30	1934.10	1916.60	+0.91
London	FT-SE 100	2434.10	2422.70	+0.47
Madrid	General Index	299.09	296.80	+0.77
Milan	MIB	1157	1158	-0.09
Paris	CAC 40	1988.85	2001.06	-0.61
Stockholm	Affaersvaerlden	1177.40	1192.00	-1.22
Zurich	SBS	N.A.	661.10	-

Sources: Datastream, AFP — International Herald Tribune

Bitter Succession Struggle Shakes Spanish Bank

Reuters

MADRID — The image of Banco Bilbao Vizcaya as one of Spain's most professional banks has been severely battered by a fierce power struggle triggered by the sudden death of BBV's cochairman, Pedro Toledo.

The succession crisis broke only hours after Mr. Toledo died from liver disease in a U.S. clinic on Dec. 12. It is the biggest challenge to face BBV since it was formed from the 1988 merger of Banco de Vizcaya and Banco de Bilbao.

The central issue of the fight, between former Vizcaya and Bilbao directors now sitting jointly on the BBV board, is whether the new bank should be run by two men — one from each of the old banks — or by a single chairman.

Under the terms of the merger, sealed in 1988, it was agreed BBV would be run jointly for four years by the Bilbao chairman Jose Angel Sanchez Asiain and his Vizcaya counterpart Pedro Toledo.

It was widely understood that Mr. Toledo, who was younger than Mr. Sanchez Asiain, would become sole chairman after 1992 while the former Bilbao chief was expected to settle for an honorary role, analysts said. Mr. Toledo's death has changed all that.

The dispute came into the open hours after Mr. Toledo died when former Vizcaya directors announced they had met and agreed to nominate Alfredo Saenz Abad as the new cochairman.

BBV's press office immediately issued a statement denying there was any agreement on a successor to Toledo.

Mr. Sanchez Asiain has made it clear he wants to be sole BBV chairman although he is reported to be prepared for Mr. Saenz Abad to be appointed executive vice chairman.

A crisis committee, comprising three representatives from each of the old banks, has so far failed to thrash out a compromise after a succession of stormy meetings.

NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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January 2nd, 1990

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Fund	Currency	Price
[illegible]	[illegible]	[illegible]

AS - Australian Dollars; AS - Austria Schillings; BF - Belgian Francs; CS - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p - pence; Ptas - Pesetas; SF - Swiss Francs; Y - Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; ● Offer Price incl. 3% prelim. charge; ++ - Paris exchange; ++ - Amsterdam exchange; ● - registered with regulatory authority

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Herald Tribune

Bond Officials Prepare To Meet U.S. Creditors As Court Fights Go On

Compiled by Our Staff From Dispatches

SYDNEY — As the troubled Bond group battled for survival in two Australian courts Tuesday, a senior executive prepared to fly to the United States to allay the fears of creditors there.

Alan Bond's flagship company, Bond Corp. Holdings, has asked a Melbourne court to overturn the appointment last week of receivers for its Australian breweries. The company fears the receivership move could trigger bankruptcy for the entire media, property and resources conglomerate.

Meanwhile, Bond Corp. expressed fears that other creditors — particularly those in the United States — might start to call in their loans.

Allan Myers, a lawyer for Bond Corp., asked the Victorian Supreme Court to cross-examine Peter Mitchell, Bond Corp.'s director, as quickly as possible so that he could fly to New York to meet U.S. creditors on Friday.

Bond Brewing failed to pay more than 50 million Australian dollars ($40 million) in interest to U.S. bondholders when it fell due Friday. The bondholders account for almost half of the brewing concerns' 1.6 billion Australian dollars debt.

Bond Corp. said Monday that although it had the money ready to pay the bondholders, the bank syndicate blocked payment. Two U.S. banks also belong to the syndicate, which called Friday for the appointment of receivers.

The legal action was further complicated when a Bond Corp. unit, Bell Resources Ltd., laid claim on Tuesday to the breweries in court. Bell Resources' lawyer said it had higher priority over the assets than the banks, which were unsecured creditors.

Bell Resources agreed to buy the breweries' assets for two billion dollars last week, only a few hours before receivers were appointed.

Another legal move against Bond Corp. by the Western Australian State Government Insurance Commission did not come to court on Tuesday, and a Bond Corp. spokesman said that the group would ask Wednesday for the motion to be dismissed until an earlier legal dispute between the two was settled.

At the same time, the Bond group's troubles began to take a toll on Australian markets. The Australian dollar declined more than half a cent to 78.69 U.S. cents Tuesday, on jitters over Bond Corp.'s fate.

In Hong Kong, Bond Corp. International, which is 66 percent owned by Perth-based Bond Corp. said there were no outstanding loans between it and its parent.

(Reuters, AFP)

Tokyo Now Seen as a Model Stock Market

By James Sterngold
New York Times Service

TOKYO — The Tokyo stock market, criticized at times for being too closely managed by regulators, is now being viewed as a model of how a stock market should be run, a dramatic conceptual shift that underscores the importance analysts are starting to place on stability for fostering economic health.

With Japan's wealth growing dramatically in recent years, the Japanese stock market is now watched as a leader, often admired and envied in New York and London.

By providing a steady pool of low-cost capital, the Tokyo market supplies ample funds to Japanese corporations for spending on research and development, building new factories and training employees — all of which strengthen the Japanese economy.

The aspect of the Japanese market's performance gaining the most attention is its relative stability.

"The interesting thing is how the Japanese manage to incorporate a huge amount of change and yet remain stable," said Robert Alan Feldman, an economist for Salomon Brothers Asia Ltd. "That is something for the West to consider."

Perhaps the most telling statement one can make about the powerful Japanese stock market is noting what did not happen here in the last few years: the Tokyo Stock Exchange did not collapse along with Wall Street in October 1987 and barely budged last October, when the markets in New York again went into a tailspin.

> **"The Japanese incorporate a huge amount of change and yet remain stable."**
> **Robert Alan Feldman, Salomon Brothers Asia Ltd.**

Indeed, after declining less than 2 percent compared with New York's 7 percent on Oct. 13, the market here glided gently upward to close 1989 at a record 38,915.87, up 31 percent for the year and largely free of the volatile jolts that afflicted New York.

"There was a time when people here always took New York as the barometer, when it seemed as if Tokyo reacted so strongly to whatever happened there," said Lawrence S. Prager, a senior analyst for Nikko Securities Co.

"I don't know when exactly, but that has definitely changed and Tokyo has taken off more on its own."

The tremendous wealth built up in Japan in the last several years accounts for much of this shift in the balance of financial power.

The government estimated that at the end of 1988 Japan had "national assets" worth $43.75 trillion, compared with $19.4 trillion at the end of 1985.

"International power is now in Tokyo," said Kazuo Otaka, deputy general manager in the investment advisory department at Daiwa Securities Co.

Japanese have been using some of this growing cash hoard to buy up huge amounts of American stocks and bonds, while foreigners, and Americans especially, have been slowly selling off their Japanese securities.

In the first eight months of 1989, for instance, Japanese made net purchases of foreign shares, mostly American, of $15 billion.

At the same time, foreign investors made $14.5 billion of net sales of Japanese stocks.

That trend has only underscored the lessening influence of foreign capital on the market here.

In the early 1980s, roughly 20 percent of the turnover in Tokyo was attributed to foreigners, while today the figure is less than 10 percent.

The new wealth here has also meant that turnover on the Tokyo Stock Exchange is significantly higher than in New York now and that the total value of Tokyo stocks has, since 1988, exceeded the total value of shares listed on the New York Stock Exchange.

The steady climb of the Japanese market has been particularly noteworthy because, starting in late 1985, the United States and Japan were behind a doubling in the yen's value, a shock that sharply reduced the competitiveness of Japan's export industries.

Nonetheless, under the watchful eye of powerful government bureaucrats, the economy and the stock market shrugged off those problems and changed as needed to adapt to the new conditions.

Japan's performance has prompted a re-examination in the West of the merits of more stable and more controlled financial markets, with Tokyo as the model.

The philosophical watershed on Wall Street came with the stock market collapse in 1987.

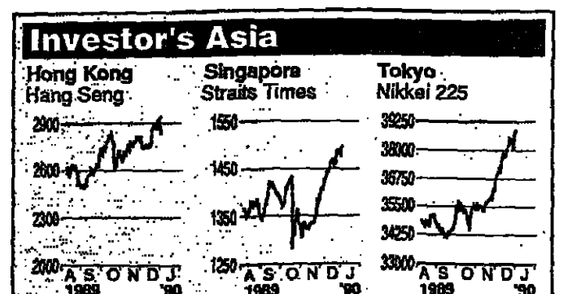
Although a free market approach had been gaining ground elsewhere in the economy, for the first time Wall Street began to think seriously about creating restraints in the market, oriented toward trying to dampen volatility.

In other words, it is trying to make New York more like Tokyo, where a range of formal and informal mechanisms limited price swings after October 1987 and helped them rebound smoothly shortly afterward.

The New York Stock Exchange suddenly began to call for "circuit breakers," ways to halt the market and give a brief cooling-off period when it rose or fell sharply; Tokyo has had them for years.

The philosophical shift was completed in December when the New York Stock Exchange took out a full-page ad in newspapers to declare a campaign to try and obtain the kind of stability that Tokyo has taken for granted.

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	2838.07	2836.57	+0.05
Singapore	Straits Times	1499.46	1481.33	+1.22
Sydney	All Ordinaries	1654.70	1649.00	+0.35
Tokyo	Nikkei 225	N.A.	38915.87	-
Kuala Lumpur	Composite	571.88	562.28	+1.71
Bangkok	Book Club	785.70	767.99	+2.31
Seoul	Composite Stock	N.A.	909.72	-
Taipei	Weighted Price	N.A.	9624.18	-
Manila	Composite	1115.45	1104.57	+0.98
New Zealand	Barclays	N.A.	1994.17	-
Bombay	National Index	422.43	423.54	-0.26

Sources: Datastream, Reuters, AFP

International Herald Tribune

IEL Dividend Likely to Rise

Reuters

SYDNEY — Industrial Equity Ltd. is likely to pay a sharply higher dividend of 23 to 25 Australian cents (18 to 20 U.S. cents) a share under Adelaide Steamship Co. control, according to a report.

Adsteam is bidding 2.30 dollars a share plus a five-cent dividend for Industrial Equity.

The report, by Coopers & Lybrand, said Adsteam's plan for dividend payouts of 80 percent of Industrial Equity's after-tax profit could mean a dividend of as much 25 cents this year, compared with 10 cents last year.

Stable but Boring: Outlook For 'Clean' Australia Market

Reuters

SYDNEY — The Australian stock market is likely to fall during the first half of this year, reflecting a slowing economy, but there could be buying opportunities later in the year, analysts said Tuesday.

"It will be a slow downward drift in the market because of poorer earnings capacity due to the economic slowdown," said Stephen Roberts, senior economist of Dominguez Barry Samuel Montagu Ltd.

John Charrington, associate director of Capel Court Powell, said interest rates and the overvalued Australian dollar were critical factors. "We will see a decrease in corporate profitability, but the market has factored that in," he said. "There will be a flight to quality stocks."

The corporate troubles in 1989 of the Qintex group, Hooker Corp. and Bond Corp. have so far done little damage to the market.

Mr. Roberts said there was a general view that companies that borrowed heavily to buy assets were being cleaned up. "We'll probably be left with more stable but boring companies that have better long-term futures," he said.

Asia's Stock Markets Came of Age in 1980s

Agence France-Presse

TOKYO — Asian stock markets, little more than an exotic wasteland only 10 years ago, have largely come of age.

Some notes on the decade:

Taiwan: The Taiwan Stock Exchange has emerged as one of the region's wildest markets and now ranks second in size only to Japan. But foreign investment is largely limited to mutual funds and licensed foreign insurance companies.

South Korea: The Stock Exchange of Korea was largely a backwater until prices began soaring in 1985, led by stocks in export industries. Foreign investment is limited to mutual funds and convertible bonds, though direct investment is envisaged for 1992.

Hong Kong: The British colony's four exchanges were merged into a single one in 1986; it was shut down for four days at the height of the 1987 collapse. The volatile real-estate sector still dominates listings and the market remains sensitive to events in China.

Singapore: The market was shaken in 1985 by the collapse of the Pan-Electric shipping group, forcing the Singapore and Kuala Lumpur markets to close for three days, but investor confidence returned as the country emerged from a recession.

Malaysia: As in Singapore, the biggest event of the decade was the collapse of Pan-Electric. The Kuala Lumpur Stock Exchange more recently set up a second board to list smaller companies. The October decision to split from the Singapore exchange is expected to double market capitalization.

India: The country's stock markets underwent a revolution in the 1980s. Capitalization grew nine-fold, the number of listed companies more than doubled to 6,000 and the number of investors swelled from around one million in the 1970s to more than 12 million now.

Indonesia: The long-dormant Jakarta Stock Exchange sprang to life in 1989 after the government eased listing requirements and foreign-investment rules. The number of listed companies more than doubled to 54 in the past year.

China: The Shanghai stock exchange reopened in 1986 and more than 90 cities are now said to have some sort of "securities transaction counters."

Prices Jump On 'Split' Exchanges

Compiled by Our Staff From Dispatches

KUALA LUMPUR — On the first day of the split between the Kuala Lumpur Stock Exchange and the Stock Exchange of Singapore, stock prices rose sharply on both exchanges, with the index reaching a record high in Kuala Lumpur and passing its 1989 best in Singapore.

In Singapore, the new over-the-counter market made a brisk start and nearly all Malaysian shares listed made handsome gains, brokers said.

The local stock markets faced uncertainty because Malaysia ordered Malaysian companies to delist from the Stock Exchange of Singapore from Sunday.

The chairman of the Kuala Lumpur Stock Exchange, Nik Mohamed Din Nik Yusoff, said his exchange would not recognize the over-the-counter market in Singapore.

On the main Singapore exchange, the Straits Times industrial index jumped 18.13 points, or 1.2 percent, to close at 1,499.46, surpassing the previous best of 1,487.76 set on Dec. 26.

In Kuala Lumpur, the KLSE Composite index rose 1.7 percent to a record 571.88 points.

(Reuters, AFP)

Business Cautious on New Aquino Cabinet

Reuters

MANILA — Philippine and foreign businessmen have welcomed the changes that President Corazon C. Aquino made in her cabinet on Dec. 31, but said the new team must act decisively to improve government performance.

They said the move showed Mrs. Aquino was responsive to public clamor for change and it was now up to the new cabinet to initiate measures to rebuild the economy and strengthen democracy after last month's attempted coup.

Mrs. Aquino on Sunday announced the replacement of her finance secretary and seven other ministers and fired her intelligence chief. She also introduced a system of executive coordinators to help run the government.

Aurelio Periquet, president of the Philippine Chamber of Commerce and Industry, said the cabinet revamping, the third since Mrs. Aquino came to power almost four years ago, answered the public's call for action.

"What she has put together is perceived as an action team," he said. "It is up to the revitalized cabinet to initiate bold measures expected of government."

Robert Sears, vice-president of the American Chamber of Commerce here, described the new appointees as "good names who have accomplished things in the past."

■ EC Plans Manila Office

The head of the European Community's division for medium-sized industries will visit the Philippines later this month to formalize plans for an EC regional office in the country, Agence France-Presse reported from Manila.

Pakistan Bank Has IFC Equity

Reuters

KARACHI, Pakistan — International Finance Corp., American Express Co. and a Pakistan firm are to launch an investment bank, stock exchange officials said Tuesday.

IFC, a World Bank affiliate, will put up five million rupees ($230,000) of the 50 million rupees in sponsors' equity; Packages Ltd. of Pakistan and American Express will share the balance equally.

AMEX

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend
c — liquidating dividend.
cld — called
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax
i — dividend declared after split-up or stock dividend
j — dividend paid this year, omitted, deferred, or no action taken at last dividend meeting.
k — dividend declared or paid this year, on accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date
u — new year's high
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xds — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full
yld — yield.
z — sales in full

SPORTS

The Difference a Revolution Can Make

International Herald Tribune

ROB HUGHES

LONDON — Given the passions soon to be unleashed at Italy's World Cup, now is the time to put soccer into perspective. It is a part of life; sometimes an expression of joy but, in the past decade, tragically an agent of death. It mirrors our times and our behavior.

We can pluck a soccer strand from the Christmas story that affected us all. Among Romania's last contacts with the outside world before its revolution was a match in Bucharest in which its national team overwhelmed Denmark to reach this year's World Cup.

The aftermath of Nicolae Ceausescu's tyranny is bittersweet for Miodrag Belodedici, who 12 months ago decamped from the army club Steaua Bucharest to seek asylum in Yugoslavia.

He was snapped up by Red Star Belgrade, an exporter of fine talents that could hardly believe so gifted a 21-year-old had dropped into its lap.

Slender and elegant, Belodedici makes time and room for himself where few even see the spaces. In action, he resembles Franz Beckenbauer who masterminded West Germany's 1974 World Cup triumph by gliding out of central defense.

Beckenbauer was "the libero," and liberation is dear to Belodedici.

He is the eyes of a team's defense yet quite capable of orchestrating counter-attacks.

How Steaua missed him. He helped guide the team toward the European Champions' Cup, but without him the defense was beguiled in the final by Milan's Ruud Gullit and Marco Van Basten.

Romania's national team, for all the attacking talents of Gheorge Hagi and Marius Lacatus, also lost its rhythm. It even floundered, a goal down, in the crucial qualifying match in Bucharest until its young Danish opponent became over confident.

Romania will need every skill it can muster, and a great deal of liberated determination, to get through its first round against Argentina, the Soviet Union and Cameroon.

The revolution has already made a difference. Belodedici will play for his country again.

"I am a Red Star professional now," he announced, "but a Romanian in my heart. A week ago I thought I would never be able to return and play in the national side. Now all has changed."

Indeed it has. Romania's new minister for sport, Mircea Angelescu, a former chairman of the national soccer federation, has sent a message that Belodedici will be "most welcome."

So Belodedici will play the World Cup with Romania. More delicate is the question of who partners him. Six of the Steaua team are probables, but three other international players are in no-man's land.

Dorin Mateut, the top scorer in Europe last season, and defenders Mircea Rednic and Ioan Andone were all employed by Dynamo Bucharest, bankrolled by the Securitate.

That team, with its hated association, has been erased. And though hired performers should not be burdened by the sins of their paymasters, cleansing and re-employing Dynamo's players must be at a pace in tune with the people's wishes.

At least Romania's team will be welcomed in Italy. Before Christmas an Italian Green Party opportunist called for Ceausescu's Romania to be barred from the tournament. Now Romania will start with massive popular goodwill, and free accommodations offered in Naples.

□

Meanwhile, Italy's own perceptions of the sporting life took a couple of nasty shocks during the final hours of 1989.

First, the collapse and near death in Bologna of AS Roma defender Lionello Manfredonia.

He has not been a favored son of Italy ever since, 10 years ago, Manfredonia was suspended for two seasons for accepting bribes to fix matches.

Some of us, even some Italians, consider *sine die* to be the true penalty for selling the soul of sport. However, Manfredonia, then of Lazio, resumed the career he began in 1975 against Bologna.

He came within seconds of completing his life cycle also against Bologna. Fortunately there were alert observers who could give heart massage and mouth-to-mouth resuscitation — and they refused to give up on him as the heart twice stopped beating.

That Manfredonia eventually came out of a coma, asked for a cigarette and became coherent, is a blessing. That he, an apparently fit 33-year-old, suffered cardiac arrest is just another reminder that while sport promotes fitness it does not guarantee it.

Less than four months previously, Sam Okwaraji, a young Nigerian, died of heart failure during a World Cup qualifier in Lagos at which five spectators also died.

An Italian, Giuliano Taccola, and an Algerian, Omar Sahnoun, have also dropped dead in action, in each case deciding to ignore earlier heart murmers because they "could do nothing else but play football."

□

Against life and liberty, day-to-day injuries should seem as nothing to a professional sportsman.

Try telling that to Gianluca Vialli, the Italian goalscorer $15 million cannot buy.

He is the latest Italian scorer — after Riveira, Riva and Rossi — so coveted the nation would wish him wrapped in cotton wool until June.

Instead, he is preserved for two months in surgical plaster. On duty for Sampdoria last Saturday against his hometown club, Cremonese, he broke a bone in his right foot.

Suddenly, the Great One is hurt. Suddenly, the most athletic of footballers is a spectator at the start of the year that is supposed to be his destiny.

Italy feeds on statistics of Vialli's superior heart and lung power, his low body fat content and extraordinary muscle tone.

That physique, with its explosive application to soccer, is now confined to idle luxury, either at his villa overlooking the Gulf of Genoa or the old castle near Cremona where his mother does his cooking.

Not so bad. Vialli, who was looking a little tired, is taking enforced rest and come high summer might be the better for it.

Better, for sure, than Egypt's Hisham Abdel-Rasool. The Egyptian equivalent to Vialli — Abdel-Rasool had scored three of his country's six qualifying goals — shattered a thigh when he drove his car into an oncoming in Cairo.

He underwent surgery two days after Christmas but, by the optimistic prognosis, will be out of soccer for five months.

A dream broken into as many pieces as Abdel-Rasool's left thigh. Only players will truly know this young man's loss — or how long it will be before he feels lucky to be alive and at liberty.

Rob Hughes is on the staff of the Sunday Times

Slamoski Akstenko/Reuters

Miodrag Belodedici, leaping high over Argentina's Juan Gilberto Funes in a 1986 match, could reshape Romanian fortunes.

SIDELINES

Soccer Shirts Deemed 'Provocative'

LONDON (Reuters) — Chelsea, a first division English soccer club, on Tuesday stopped selling World Cup T-shirts depicting English hooligans on the rampage after protests from the country's Football Association.

The FA, eager to improve the image of England's notorious fans abroad, had described the T-shirts as provocative.

Chelsea said the club had no idea that their shop, run by a franchise-holder, was selling the shirts, which show fans storming off a boat and proclaim: "England and Chelsea invasion of Italy 1990."

FA spokesman David Barber said of the shirts: "They are not witty or amusing but they are certainly provocative."

Tournament Schedule Irks McEnroe

PERTH, Australia (AP) — Tennis star John McEnroe has repeated a call for the Australian Open to be rescheduled from January to March, saying players need a rest during the first month of the year.

McEnroe, who is preparing for this year's Australian Open, which opens Jan. 15 in Melbourne, said the first grand slam tournament of the year was just too early. He said no professional tennis should be played in January.

"The event starts in two weeks' time and nobody could be at their best form because most have been resting after the last tour," he said. "Winning the Australian Open is like playing in a crap game and having the luck of being in good form at the time."

"It needs to be pushed back, ideally to March, with a few more warm-up events beforehand," he said.

Berlin Mayors Hopeful on Olympics

BERLIN (UPI) — The mayors of East and West Berlin on Tuesday called the entire city of Berlin the "Olympic city of the future" and said it was the wish of the population of Berlin to host the Games in 2000 or 2004.

In an interview with the East German youth daily Junge Welt, East Berlin Mayor Erhard Krack said: "It seems that the next decade is meant to make Berlin an Olympic metropolis."

West Berlin Mayor Walter Momper said it was a wish of the "Berlin athletic family" to host the Games in the year 2000 or 2004. "Discussion about an eventual candidacy has already begun," he told Junge Welt.

Frenchman Hurt Badly in Rally

DIRKOU, Niger (AFP) — French motorcyclist Pierre-Marie Poli, 33, was in critical condition Tuesday after a serious fall during the fifth stage of the Paris-Dakar rally between Tunu in Libya and Dirkou in Niger.

Race officials said he was in a deep coma after suffering a fractured skull and was on a life-support machine. He was to be flown back to France later in the day.

Poli was 362 kilometers (225 miles) into the stage when he was thrown from his Honda into sand.

Ermano Bonacini of Italy was thrown from his Honda bike and also suffered a fractured skull during Monday's race.

Holtz Assistant to Coach Wisconsin

MADISON, Wisconsin (AP) — Barry Alvarez, assistant head coach at Notre Dame, has accepted an offer to become football coach at the University of Wisconsin. Alvarez, who spent three years at Notre Dame, replaces Don Morton, fired last month after compiling a 6-27 record over three years.

For the Record

Glasgow Rangers beat arch-rivals Celtic, 1-0, in soccer on Tuesday to maintain their two-point lead at the top of Scotland's first division, ahead of Aberdeen, who defeated Dundee at home. *(Reuters)*

Quotable

Bill McCartney, football coach at the University of Colorado, after its 21-6 Orange Bowl loss to Notre Dame on Monday: "The key on Tuesday morning is to get excited about the future." *(AP)*

Steelers Will Stay Low Before Meeting Broncos

The Associated Press

PITTSBURGH — Coach Chuck Noll says the Pittsburgh Steelers will stick to their normal practice schedule and won't travel to Denver — the so-called "Mile High City" — until the day before Sunday's National Football League divisional playoff game.

Because of Denver's high altitude, some teams arrive earlier.

"It takes two weeks for the hemoglobin to become accustomed to the altitude," Noll said.

Whale Leaves a Gash in Whitbread Yacht

The Associated Press

WELLINGTON, New Zealand — The French yacht Charles Jourdan sailed into a whale on Tuesday and sustained substantial damage, organizers of the Whitbread round the world ocean race said.

The yacht, which was in seventh place at the time of the collision, plans to continue the third leg of the race from Fremantle, Australia, to Auckland, New Zealand.

Race officials in Auckland said the skipper, Max-Philippe Couteau, had radioed to say the French yacht hit the whale. He said the planking on the starboard side of the boat had been damaged, and there was gash about 6 feet in length (1.8 meters) and 1 foot (30 centimeters) in width.

The damage was high up — at the joining of the deck to the hull — and just to the stern on the chain plates, where the mast rigging joins the hull.

"We are attempting to make temporary repairs at sea," Couteau told officials. "If possible and weather permitting, we will continue our route towards Auckland."

It was not known whether the whale had been injury.

The New Zealand yachts Steinlager II and Fisher and Paykel continued to lead the 23-yacht fleet late Tuesday. Peter Blake's Steinlager II, winner of the first two legs of the race, held a two-mile lead over Fisher and Paykel, skippered by Grant Dalton, as the leaders moved within 800 nautical miles of the finish.

Romanian Team Takes Old Name

The Associated Press

VIENNA — Dynamo Bucharest, the soccer powerhouse in Romania, has been given the name it had before the 1948 Communist takeover — Unirea Tricolor. Romania's news agency also said late Monday that the club would be "reorganized on democratic bases."

For the past 41 years the team has been run by the Interior Ministry, which has been responsible for state security. It was subsidized by the Securitate, the security police.

On March 7, the team will be playing Partizan of Belgrade in the first leg of the Cup Winners' Cup quarterfinal in Bucharest under its new name.

Under the Ceausescu regime, final say in Dynamo's operations was held by one of Ceausescu's brothers.

BOOKS

COPLAND: Since 1943

By Aaron Copland and Vivian Perlis. Illustrated. 463 pages. $29.95. St. Martin's Press Inc., 175 Fifth Avenue, New York, N. Y. 10010.

Reviewed by John Rockwell

"I AM not a professional writer," Aaron Copland remarks in this new book. "My literary output is a byproduct of my trade."

That knowing self-assessment helps explain the curious ambivalence any admirer of Copland must feel about this second and final installment of his semi-autobiography.

Like the first volume, "Copland: 1900 Through 1942," which appeared in 1984, this is not so much a book as a documentary collage. It has been ingeniously assembled by Vivian Perlis, a historian at the Yale School of Music, from tapes of her conversations with the composer in 1975 and 1976.

Copland and she then went over the transcripts, editing and amplifying them, and Perlis has interspersed them cleverly with reminiscences of Copland by his friends and associates and with often insightful "interludes" of her own (the one on Copland's lifelong relationship with the piano is especially interesting).

Anyone who loves Copland and his music — and there are plenty of people who love both — will want to read this book. It will also be a primary source for all future annotators. But one must voice reservations, about the two volumes together and about this book in particular.

In both volumes, Copland's discretion becomes frustrating. Too often, his own contributions read like cursory recollections prompted by his diaries and journals. He is not an expansive storyteller, let alone a probing self-analyst on either the personal or the professional level.

Aaron Copland has been at once the most solitary (as all composers must be) and gregarious of men. His circle of friends is legendary, as was his role in promoting the cause of American music.

A pity, then, that he is so demure about revealing his true passionate feelings. Yet one might understand if he compensated with revelations about his scores and the process by which they were composed.

But there, too, he stays mostly bland and bluntly anecdotal, reciting the circumstances of a commission and a first performance and even, as with "Appalachian Spring," details of a work's genesis.

But when it comes to telling us, say, about how any particular piece worked technically, or about his procedures in adapting the 12-tone system to his own musical personality, he remains maddeningly reticent. Too much of the book becomes a dry recitation of triumphal tours and first performances and honors.

There is an undercurrent of sadness here, too, however much both writers try to downplay it. Over the last two decades, Copland's output has dwindled; most critics would argue that his last major score was "Inscape" of 1967.

Despite his own disappointments and this book's largely ceremonial superficialities, there is still much here to enjoy. Some of the reminiscences by others are touching and trenchant: Ned Rorem's is particularly affectionate yet telling. The many illustrations are terrific, yielding insights that the prose withholds.

Whatever one's reservations, Copland remains the dean, the man who more than any other created a sense of consciousness and confidence among American composers, organized them (and their Latin-American fellows, a fascinating subtext here) into an international force, and incidentally left us scores of lasting beauty.

John Rockwell is on the staff of The New York Times.

BEST SELLERS

The New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Weeks on List
1	DADDY, by Danielle Steel	2	7
2	THE DARK HALF, by Stephen King	1	9
3	CLEAR AND PRESENT DANGER, by Tom Clancy	3	7
4	CARIBBEAN, by James A. Michener	3	7
5	THE POLAR EXPRESS, by Chris Van Allsburg	5	23
6	FOUCAULT'S PENDULUM, by Umberto Eco	6	11
7	STRAIGHT, by Dick Francis	9	6
8	JIMMY STEWART AND HIS POEMS, by Jimmy Stewart	7	15
9	CALIFORNIA GOLD, by John Jakes	12	16
10	TALES FROM MARGARITAVILLE, by Jimmy Buffett	8	11
11	THE ELEVENTH HOUR, by Graeme Base	10	5
12	THE PILLARS OF THE EARTH, by Ken Follett	11	16
13	SWAN LAKE, by Mark Helprin	13	5
14	OLDEST LIVING CONFEDERATE WIDOW TELLS ALL, by Allan Gurganus	15	14
15	SORCERESS OF DARSHIVA, by David Eddings	14	5

NONFICTION

1	ALL I REALLY NEED TO KNOW I LEARNED IN KINDERGARTEN, by Robert Fulghum	1	61
2	IT WAS ON FIRE WHEN I LAY DOWN ON IT, by Robert Fulghum	2	15
3	MY TURN, by Nancy Reagan with William Novak	4	9
4	ROSEANNE, by Roseanne Barr	3	12
5	EDUCATION OF A WANDERING MAN, by Louis L'Amour	6	9
6	ALL MY BEST FRIENDS, by George Burns with David Fisher	7	6
7	DRIVE, by Larry Bird with Bob Ryan	5	8
8	LIAR'S POKER, by Michael Lewis	8	8
9	A BRIEF HISTORY OF TIME, by Stephen W. Hawking	9	80
10	CHILI DAWGS ALWAYS BARK AT NIGHT, by Lewis Grizzard	10	8
11	AMONG SCHOOLCHILDREN, by Tracy Kidder	11	15
12	THE TEMPTING OF AMERICA, by Robert H. Bork	13	3
13	I WANT TO GROW HAIR, I WANT TO GROW UP, I WANT TO GO TO BOISE, by Erma Bombeck	12	11
14	CHRONICLE OF AMERICA, edited by Clifton Daniel	15	2
15	ROLLING STONE, The Photographs, edited by Laurie Kratochvil		1

ADVICE, HOW-TO AND MISCELLANEOUS

1	THE WAY THINGS WORK, by David Macaulay	1	25
2	THE WAY TO COOK, by Julia Child	4	6
3	THE GREAT WALDO SEARCH, by Martin Handford	3	3
4	MARTHA STEWART'S CHRISTMAS, by Martha Stewart	2	9
5	THE FRUGAL GOURMET COOKS THREE ANCIENT CUISINES, by Jeff Smith	5	10

PEANUTS

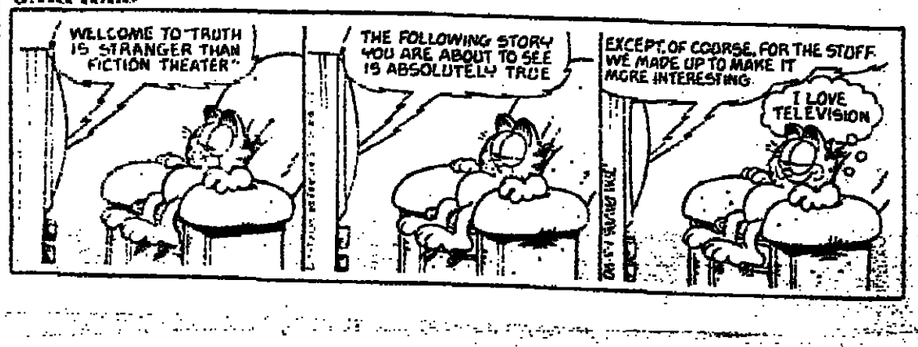
BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD



DOONESBURY

BLONDIE

DENNIS THE MENACE

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

KEDAB

NACAL

POUDIM

GINGON

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: _____ – _____

(Answers tomorrow)

Yesterday's Jumbles: PRIZE DROVE SCARCE DAMASK

Answer: A person of good judgment knows when to speak his mind and when to do like-MIND HOW HE SPEARS

SCOREBOARD

HOCKEY

NHL Standings

WALES CONFERENCE

Patrick Division

	W	L	T	Pts	GF	GA
Philadelphia	18	17	5	41	144	136
Washington	18	17	4	40	129	129
New Jersey	18	18	4	40	135	135
NY Rangers	15	18	7	37	128	134
Pittsburgh	16	19	3	35	157	161
NY Islanders	15	21	4	34	135	150

Adams Division

Buffalo	23	11	6	52	148	107
Boston	21	15	3	45	140	120
Montreal	20	17	5	45	140	132
Hartford	19	18	2	40	133	132
Quebec	7	25	6	20	119	179

CAMPBELL CONFERENCE

Norris Division

	W	L	T	Pts	GF	GA
Chicago	22	15	3	47	160	134
Toronto	19	21	1	39	174	174
Minnesota	18	20	3	39	121	134
St. Louis	16	17	6	38	125	125
Detroit	12	21	6	30	126	151

Smythe Division

Edmonton	21	12	7	49	158	120
Los Angeles	20	15	4	44	180	144
Calgary	17	13	10	44	161	134
Winnipeg	17	15	5	39	120	121
Vancouver	12	19	8	32	121	151

MONDAY'S RESULT

Los Angeles		1	2
Washington		1	3

Robinson (8), Nicholls (27), Kudelski (5), Granato 2 (21); Kypreos (5), Jo... Ellis 2 (21), Gretzky 2 (21); Shots on goal: Los An... (5), Gaccorelli 2 (19). Shots on goal: Los An... les (on Beaupre) 14-12-9—35; Washington (... Hrudey) 14-17-6—37.

SPORTS

Miami Wins Collegiate Championship, Notre Dame Ranked Second

Irish Halt Colorado's Bid, 21-6

By Sally Jenkins
Washington Post Service

MIAMI — It began with an emotional confrontation: The Buffaloes of Colorado charged to midfield for the coin toss, the Irish of Notre Dame charged out in answer. Words were exchanged, fingers pointed, the lines of angry players edging closer and closer until officials and coolers heads prevailed.

The pregame rites ended with handshakes. But Monday night's

ORANGE BOWL

Orange Bowl game ended with No. 1 ranked Colorado having been beaten, 21-6, and its bid for a U.S. college football championship ended.

Colorado, with an 11-0 record, came here the only unbeaten team of all those in the postseason bowls, needing just one last victory over No. 4-ranked Notre Dame, the defending national champion, to complete an astonishing season. But the Buffaloes let the opportunity leak through their fingers, and with it their hopes for a first national title in a sport other than skiing.

Those hopes began slipping away during a hard-fought but scoreless first half, the first in the Orange Bowl since 1938, when Auburn beat Michigan State, 6-0. But if a scoreless game can be lopsided, this one leaned toward the Buffaloes until they self-destructed in an appalling series of ways.

Midway through the first quarter, on second down and five yards to go at the Irish 35-yard line, Eric Bieniemy, who had led the charge to the coin toss, burst up the middle and into the clear. But at the 17, on a dead run, he tried to switch the ball from his left hand to his right and dropped it. Safety Pat Terrell pounced on it at the 19.

Next, they drove from their 17 to the Irish five before facing fourth-and-three. Ken Culbertson, who had missed on just 1 of 11 field-goal trys inside the 30-yard line in his career, came out for a 23-yard attempt and kicked it dead left.

Next, the Buffaloes drove from their 41 to first-and-goal at the one. But the Irish stopped three plays for a loss of two yards, and Culbertson trotted out again with slightly more than three minutes left in the half. Only this time the holder, Jeff Campbell, took the snap and stood up, then sped to his right on a fake. At the one, though, Troy Ridgley, the Notre Dame sophomore tackle who was starting his first college game, met Campbell and flung him down.

["It was a case of opportunities we didn't capitalize on," Colorado's coach, Bill McCartney, told The Associated Press. "Any time you play a team as deep and talented as Notre Dame, you're only going to get so many chances. You've got to capitalize, and we didn't.

["Coming away from the first half without any points after controlling the game for a while was too much to overcome."]

That turn of events brought the Irish alive. With 1:40 left, they drove from their one to the Colorado 10, their only real foray of the half, as quarterback Tony Rice completed three straight passes for 57 yards, one a 29-yarder to Pat Eilers. They finally paused at the 10, with four seconds remaining, and Billy Hackett came on for a 27-yard field goal attempt.

However, in a perfect conclusion to a perfectly bizarre half, nose tackle Garry Howe and safety Greg Thomas leaped and blocked the kick, the ball bouncing across the field as time ran out.

Still, it had been a turning point. The Irish opened the third quarter with consecutive scoring drives, the first ending in fullback Anthony Johnson's touchdown on a two-yard run. The next Colorado possession was halted when quarterback Darian Hagan was intercepted, and Notre Dame drove 54 yards to a 14-point lead.

Rice's short pass to Johnson gained 13 yards to the 32 on third-and-nine, and after a clipping penalty a 17-yard pass to split end Pat Eilers began to overcome a first-and-30 problem.

On third-and-13 and the Buffaloes blitzing up the middle at the 35, the Irish called on speedy sophomore flanker-tailback Raghib (Rocket) Ismail, a decision that exploited the Colorado gamble.

Helped by blocks by Johnson and guard Tim Grunhard, Ismail turned up the right sideline and sprinted for a 35-yard touchdown.

Darian Hagan, the sophomore option operator, scored the Buffaloes' only touchdown on a marvelous 39-yard run with no time left in the third quarter. But even it turned into a disappointment when Culbertson, who had made all 59 extra points this year, 66 in succession over all and 85 of 87 in his career, hit the left upright with his kick.

Finally, one last drive broke Colorado for good, the Irish moving 82 yards in 17 plays and consuming almost nine minutes before Johnson scored on a seven-yard run with 1:32 left.

Rice, playing in his last collegiate game, had been an efficient leader as usual. He carried the ball 14 times for 50 yards and completed 5 of 9 passes for 99 yards. He turned time and again to Ismail, who had a career-high 108 yards on 16 carries despite the lingering soreness from a dislocated shoulder.

Hagan gained 106 yards on 19 carries for Colorado, but was inconsistent under increasing pressure from Notre Dame, completing 4 of 13 passes for 65 yards, with two intercepted.

So who was now No. 1?

"I think we are," said the Irish coach, Lou Holtz, whose 12-1 team had lost it's top ranking with a loss to Miami. "We were No. 1 all year. We played with pressure. We played nine bowl teams. I don't know what else we can do when we beat the No. 1 team in the nation by 15 points."

Dave Buher/The Associated Press

Notre Dame's coach, Lou Holtz, was given an unexpected victory shower by his players after the Fighting Irish defeated Colorado.

Troy Gonet/Reuters-UPI

Miami's first-year coach, Dennis Erickson, was riding high after the Hurricanes overcame Alabama.

Hurricanes Triumph, 33-25, Surviving Scare by Alabama

By Anthony Cotton
Washington Post Service

NEW ORLEANS — For the better part of three quarters of the Sugar Bowl game, the Miami Hurricanes suffered a dual indignity. First they were serenaded with the Florida State war chant by the Alabama fans among the 77,452 at The Superdome. The second slap came from the Crimson Tide's players, who had the audacity to play the second-ranked Hurricanes evenly.

But Miami eventually overcame the mocking reference to its only loss this season as well as the opposition on the field, pulling away for a 33-25 victory Monday night.

The Hurricanes, lucky to carry a 20-17 lead into the second half, used an 11-yard touchdown pass from Craig Erickson to tight end Rob Chudzinski and a 12-yard pass to another tight end, Randy Bethel, to build its case for being selected the national champion.

Miami receiver Dale Dawkins put it in perspective: "There's still a question in my mind about who's No. 1 because of how everyone feels about Notre Dame and us. They're God's gift to college football and we're the bad boys. The way they beat Colorado, I hope they don't leapfrog us and sneak in through the back door."

Alabama set the tone by limiting Miami to one yard on its first three

SUGAR BOWL

plays. On fourth down, Tim Kalal's punt was partially blocked by Mike Smith and traveled 22 yards. That gave the Southeastern Conference team the ball on its 42.

Quarterback Gary Hollingsworth, who was 27 of 43 passing for 214 yards, hit Lamonde Russell for six yards on second down but missed Marco Battle on the next and his team punted.

Miami took possession on its 17, moved to the Alabama 32 and stalled. Carlos Huerta came on to attempt a 49-yard field goal, but his line-drive kick drifted wide left.

Then the Hurricanes intercepted a Hollingsworth pass but were called for defensive holding, plus a personal foul. That gave Alabama a first down at the Miami 41, but three plays later Philip Doyle had to try a 51-yard field goal. His kick, too, was wide left.

The Hurricanes again mounted a drive, Erickson throwing to Wesley Carroll for 18 yards and to tight end Randy Bethel for 19, but stalled at the Alabama seven. Huerta came out to attempt a 25-yard field goal but, before the ball was snapped, Alabama roverback Lee Ozmint jumped offsides and this time Miami scored.

From the three, Stephen McGuire, who had 80 yards for the game, ran for the touchdown, Huerta kicked the extra point and it was 7-0.

Two punts later, it was Alabama's turn to be helped by a penalty. Kalal had gotten only 34 yards on his kick for Miami and Gene Jelks returned it 10 yards to 36.

Four plays after an inside handoff to Stacy gained nine yards, the Crimson Tide faced a third and goal at the seven. This time Miami's Russell Maryland was called for being offsides and the ball was moved to the three. Three plays later, Hollingsworth completed a slant-in to Battle for the touchdown and Doyle's kick made it 7-7.

The Hurricanes didn't waste any time regaining the lead. From the 22, Erickson passed to Carroll for 32 yards, Alex Johnson carried for three, Erickson threw to Carroll for 10 and Miami gained another 15 when Steve Webb was penalized for roughing the passer.

That put the ball on the Alabama 18. Johnson was stopped for no gain on first down, but Erickson and Carroll hooked up on the next play, this time for the touchdown. Huerta's extra point was blocked, leaving Miami with a 13-7 edge.

The Hurricanes again forced a punt after three plays but Pee Wee Smith fumbled on the return and the Crimson Tide recovered at the Miami 34. Although Alabama gained seven yards on its next three plays, Doyle came on for a 45-yard field goal that made it 13-10 with 8:58 left in the half.

Miami responded once again, this with its ground game, McGuire, Johnson and Leonard Conley gaining 49 yards on seven carries, one a 23-yard draw by Johnson. Erickson contributed, too, gaining four yards on a scramble and nine on a quarterback draw to the eight. Three plays later, Johnson carried three yards for the touchdown and Huerta's extra point made it 20-10.

But Alabama came right, marching 80 yards in 11 plays and scoring on Hollingsworth's four-yard pass to Russell after the quarterback faked an inside handoff.

And the Crimson Tide still had one more scare to throw.

After the kickoff, Erickson's pass for Dale Dawkins was intercepted by Ozmint, who returned it 23 yards. A facemask penalty added another five yards.

But Doyle's 40-yard field goal try went wide left and at halftime Miami had escaped with a three-point advantage.

For the game, Erickson completed 17 of 27 passes for 250 yards. But the big difference was that the Hurricanes gained 227 yards and the Crimson Tide was held to 38.

A Bitter Coach Holtz Calls Ratings 'Very Depressing'

The Associated Press

Miami, U.S. college football's team of the 1980s, started the new decade Tuesday with its third national championship in seven years.

The Hurricanes were rated No. 1 in both the final rankings by The New York Times and in the final poll by The Associated Press following their victory over Alabama in the Sugar Bowl and Notre Dame's defeat of Colorado in the Orange Bowl. Miami had been ranked No. 1 by the Times' computer last week, and No. 2, behind Colorado, in the AP voting by a nationwide panel of sportswriters and broadcasters.

Notre Dame rose to No. 2 in both rankings, while Colorado fell to fourth in the AP poll and to fifth in the Times ratings.

In the United Press International final top 20 rankings, which is selected by a board of coaches, Miami also was rated first. Notre Dame, however, fell to third place, behind Florida State, but ahead of fourth-place Colorado.

"It's very depressing," said Notre Dame's coach, Lou Holtz, after the rankings were announced. "I wear my feelings very poorly."

The Hurricanes, who finished 11-1, had beaten the Irish by 27-10 on Nov. 25, but Holtz said his team still deserved to be No. 1 because it had the best record, 12-1, and played the toughest schedule.

"I want somebody to justify why they didn't pick us," Holtz said. "Doggonit, we played nine teams that were in a bowl. We played everybody when they were at an emotional peak. We beat the ACC champ, we beat the Big Ten champ, we beat the Pac-10 champ, we beat the Big Eight champ and we beat the top two independents in the East."

Asked if Notre Dame is better than Miami, Holtz replied, "There isn't any best team. It's who did the best against the toughest schedule over the period of time — Who accomplished the most in 1989? That's how I look at it."

Miami received 39 first-place votes and 1,474 points from the AP panel. Notre Dame got 19 first-place votes and 1,452 points. The other two first-place votes went to No. 3 Florida State, the only team to beat Miami this season.

The 22-point margin between the first- and second-ranked teams was the second closest since the AP began its postseason poll in 1968. Brigham Young had edged Washington by 20 points at the end of the 1984 season.

Miami's coach, Dennis Erickson, said voters made the right choice.

"There is no doubt in my mind that we're the best team in the country," he said. "Regardless of what anyone else says, we're No. 1."

Erickson said the close vote will increase calls for a playoff system to determine the national champion.

"No question about it," he said. "The debate is going to go on until there is one. I really believe down the road there will be a playoff system."

Holtz declined to say whether he now supports a playoff system, but then said the national title "should be determined by computer."

Colorado's coach, Bill McCartney, joked that he is now a strong proponent of a playoff and said, "That's why we lost. We wanted to increase the controversy."

Final AP College Poll

The Associated Press rankings (first-place votes from a panel of sportswriters and broadcasters; total points based on 25-24-23, etc.; previous rankings):

	Record	Pts	Pvs
1. Miami, Fla. (39)	11-1-0	1,474	2
2. Notre Dame (19)	12-1-0	1,452	4
3. Florida St. (2)	10-2-0	1,384	5
4. Colorado	11-1-0	1,320	1
5. Tennessee	11-1-0	1,228	8
6. Auburn	10-2-0	1,161	9
7. Michigan	10-2-0	1,091	3
8. Southern Cal	9-2-1	1,067	12
9. Alabama	10-2-0	1,029	7
10. Illinois	10-2-0	1,019	11
11. Nebraska	10-2-0	860	6
12. Clemson	10-3-0	820	14
13. Arkansas	10-3-0	807	10
14. Houston	9-3-0	748	13
15. Penn St.	8-3-1	632	18
16. Michigan St.	8-4-0	597	22
17. Pittsburgh	8-3-1	476	23
18. Virginia	10-3-0	455	15
19. Texas Tech	9-3-0	451	24
20. Texas A&M	8-4-0	330	16
21. West Virginia	8-3-1	268	17
22. Brigham Young	10-3-0	231	19
23. Washington	8-4-0	200	—
24. Ohio St.	8-4-0	154	21
25. Arizona	8-4-0	77	—

Times Computer Ranking

The New York Times final computer ranking, based on each team's weekly scores with emphasis on who won, by what margin and against what quality of opposition (determined by its record against other teams). The model collapses runaway scores, and recent games count more than earlier ones.

1. Miami, rating 1.000; 2. Notre Dame, rating .986; 3. Florida State, .959; 4. Auburn, .921 5. Colorado, .880; 6. Houston, .858; 7. Tennessee, .854; 8. Michigan, .847; 9. Clemson, .829; tie 10. Alabama, .832; tie 10. USC, .822.

Final UPI College Poll

The United Press International Board of Coaches Top 20 college football ratings, with first-place votes and record in parentheses, total points (based on 15 points for first place, 14 for second, etc.), and final regular-season ranking:

1. Miami, Fla. (36)	(11-1)	707	2
2. Florida St. (7)	(10-2)	661	5
3. Notre Dame (6)	(12-1)	663	4
4. Colorado	(11-1)	626	1
5. Tennessee	(11-1)	499	8
6. Auburn	(10-2)	415	10
7. Alabama	(10-2)	378	7
8. Michigan	(10-2)	373	3
9. Southern Cal	(9-2-1)	351	12
10. Illinois	(10-2)	313	11
11. Clemson	(10-2)	242	12
12. Nebraska	(10-2)	214	6
13. Arkansas	(10-2)	102	9
14. Penn State	(8-3-1)	65	18
15. Virginia	(10-3)	37	14
16. Texas Tech	(9-3)	35	19
16. Michigan State	(8-4)	35	-
18. Brigham Young	(10-3)	17	16
19. Pittsburgh	(8-3-1)	16	-
20. Washington	(8-4)	8	-

Schembechler Era Ends in a 17-10 Loss to USC

By Michael Martinez
New York Times Service

PASADENA, California — Bo Schembechler's last day as a coach was far from his finest.

He paced the sideline, growled at times and nearly performed a pratfall on national television.

Then, with Monday afternoon slipping into evening, Schembechler's 21-year tenure as Michi-

ROSE BOWL

gan's coach ended glumly: A 14-yard touchdown run by Ricky Ervins, with slightly more than one minute left, gave Southern Cal a 17-10 victory in the Rose Bowl.

That touchdown, coming on the series after Schembechler had incurred a 15-yard penalty against himself, ended Michigan's dim hopes of winning the national title for Schembechler, who last month announced his retirement as coach.

It also gave Larry Smith of Southern Cal his first Rose Bowl victory after losses in each of the last two games.

Schembechler's teams won only two Rose Bowl games and lost eight. His career record was 234-65-8, including 194-48-5 at Michigan.

Schembechler, upset over a holding penalty that had nullified a first-down run by punter Chris Stapleton from the Michigan 46-yard line, was himself slapped with an unsportsmanlike-conduct call. Further angered, he threw down some papers he was holding, then nearly fell over a cable connecting his head set as officials marched off an additional 15 yards against his team.

["The one thing that I won't miss in retirement is incompetent officials," Schembechler told The Washington Post. "It was the most unbelievable call I've ever seen, and I got it in my last game."

["That call was ridiculous, an absolutely ridiculous call." Schembecler went on. "Now if I see the film and I'm wrong, I'll retract, but every indication that I have — from my people in the press box, people who saw it on television — is that it was a ridiculous call.

["But," he added, "that's neither here nor there. Maybe it was fate because we played so poorly that the good Lord wanted the right team win."]

Although the Wolverines did not have their best rusher available — Tony Boles was out with a bad knee — tailback Leroy Hoard became the first player to gain 100 yards rushing against the Trojans this season.

He had 86 at halftime, but in the third period gave the Wolverines his best and biggest gain: a 31-yard run through the heart of the Southern Cal defense that gave Michigan a first down at the Trojans' two.

Three plays and no gain later, Allen Jefferson, on his first run of the game, sprinted round the left side, making it 10-10.

But by halftime Michigan was losing by 10-3, but it should have been 13-3 and clearly could have been 27-3. The Trojans had been so dominant that it almost appeared they held the ball for all but the obligatory commercial breaks.

Douglas C. Pizac/The Associated Press

Ricky Ervins's 14-yard run with a minute left won it for USC.

In their first two possessions, they drove to the Wolverines' 33 and 14 yard lines. But quarterback Todd Marinovich rushed himself into throwing an interception that halted the first drive, and placekicker Quin Rodriguez had a relatively routine 32-yard field-goal attempt sail wide left on the second.

The third time, however, the Trojans didn't fail.

On fourth down at the Southern Cal 48, Michigan's Stapleton had his punt blocked by Dan Owens. The deflected ball bounced downfield, then was picked up by Junior Sean, a linebacker playing despite a sore shoulder. By the time he was tackled, he was at Michigan's 11.

Five plays later, on second down at the one, Marinovich faked a hand off to fullback Leroy Holt, then ran round the left side to score.

On its next possession, Southern Cal got to a fourth down at Michigan's 27. But Marinovich, lofting a pass into the end zone, had it batted out of the hands of Larry Wallace by leaping strong safety Tripp Welborne.

Michigan used that good fortune to turn in its best drive of the half, culminating in a 19-yard field goal by J.D. Carlson. But the significant work was done by Hoard, who gained more yards (46) in one play than the Wolverines did on their first 13 (34). His run round right end and across the field, during which he broke four tackles, took the ball to the Trojan 28.

The Trojans tagged on a 34-yard field goal by Rodriguez in the last three seconds of the half, ending a drive that started on their 26.

And, at halftime, they had 15 first downs and 239 yards; the Wolverines had five first downs and 127 yards.

Florida State's Passing Drubs Nebraska, 41-17

The Associated Press

Florida State, after opening with losses to Southern Mississippi and Clemson, closed its season with a 10th consecutive victory in which it handed Nebraska one of its worst drubbings ever, 41-17, in the Fiesta Bowl in Tempe, Arizona.

Only a blocked punt and a two-yard touchdown run by backup quarterback Mickey Joseph with

FIESTA BOWL

1:16 to play Monday night averted Nebraska's most lopsided bowl loss in 100 years of football.

"I think we're the best football team in the country right now," said Florida State's coach, Bobby Bowden. "But they don't make the polls based on just the end of the season. Over the 12-game haul, we just don't hold up at 10-2."

In the season-ending AP poll, the Seminoles moved up from fifth to third place behind Miami and Notre Dame.

Florida State beat Miami, 24-10, during the regular season. What hurt the Seminoles was losing those games to Southern Mississippi (30-26) and Clemson (34-23).

"I wish I could think of a better way to put this, but this is the best team I ever screwed up," Bowden said. "After this game, there's no question in my mind — we are the best football team around."

"We haven't played any pansies and we just beat one of the best teams in the country. I think we should be No. 1," said record-setting senior quarterback Peter Tom Willis.

"I'm a little embarrassed," said the Cornhuskers' coach, Tom Osborne. "I thought we'd have one turnover or less and it would be a close game. Turnovers aside, they were the dominant team. Florida State may be the best team in America. Who am I to argue after they beat us so badly?"

Willis was the prime factor in the rout of Nebraska, throwing for 422 yards and five touchdowns, both Fiesta Bowl records.

"We thought we could throw on them and that's what we did," said Willis, who had a school-record 3,124 passing yards this season. "I know this is going to sound funny, but I don't think I threw the ball that well. I don't think this was my best game.

"But I think we have the best receivers in the country. In one-on-one situations, we have confidence our guys will make the play. We didn't think we could beat Nebraska as bad as we did, though."

It was the worst overall loss for the Cornhuskers since Oklahoma beat them, 38-7, in 1977 and their most one-sided postseason defeat since losing, 34-7, to Alabama in the 1967 Sugar Bowl.

Nebraska hasn't won a New Year's Day game since the 1987 Sugar Bowl and is 0-4 in the Fiesta.

The Cornhuskers had lost by 31-28 to the Seminoles in 1988, when Danny McManus threw for a then-record 375 yards and three touchdowns. But Willis did even better. He finished 25-for-40 after completing 15 of 21 passes for 250 yards in the first half. He was 12 of 14 for 210 yards and three touchdowns in the second quarter alone and the Seminoles led, 21-10, at halftime.

Florida State finished with 494 yards offense. The Cornhuskers were held to 322 yards, 115 on the ground. They led the nation in rushing this season with a 375.5-yard average.

"I never would have believed we would have held them like that," said Bowden. "I was super surprised."

"We thought we were ready to play. Obviously, we were not," Osborne said. "The five turnovers we had probably cost us 21 to 28 points. Willis played awfully well for them, but we gave him a lot of time to get his throws off."

Erickson, who replaced Jimmy Johnson last March, is the first coach to win the national championship in his first year at a school since Bennie Oosterbaan did it at Michigan in 1948.

Florida State, which won 10 straight games after starting the season with two losses, moved up two spots after routing Nebraska in the Fiesta Bowl. Michigan, which entered the Rose Bowl with an outside shot at the national title, dropped from third to seventh after losing to Southern Cal.

It was the 12th time since the AP started its poll in 1936 that the national champion had one loss. Miami won its first title in 1983 with an 11-1 record and went 12-0 to win again in 1987.

The last five previous teams to win the national championship with one loss did so by defeating the top-ranked team in a bowl game.

Tennessee, which beat Arkansas in the Cotton Bowl, finished fifth in the final poll. Rounding out the top 10 were Auburn, Michigan, Southern Cal, Alabama and Illinois.

SCOREBOARD

HOCKEY

NHL Standings

	W	L	T	Pts	GF	GA
WALES CONFERENCE						
Patrick Division						
Philadelphia	18	17	5	41	144	127
Washington	18	17	4	40	133	131
New Jersey	18	18	4	40	156	156
NY Rangers	15	18	7	37	128	131
Pittsburgh	14	19	3	35	157	166
NY Islanders	15	21	4	34	135	153
Adams Division						
Buffalo	23	11	6	52	140	121
Boston	21	15	3	45	148	121
Montreal	20	17	5	45	132	123
Hartford	19	18	2	40	123	134
Quebec	7	25	6	20	119	179
CAMPBELL CONFERENCE						
Norris Division						
Chicago	22	15	3	47	160	147
Toronto	19	21	1	39	174	185
Minnesota	18	20	3	39	131	142
St. Louis	16	17	4	36	125	128
Detroit	12	21	6	30	126	153
Smythe Division						
Edmonton	23	12	7	49	158	128
Los Angeles	20	15	4	44	180	158
Calgary	17	13	10	44	161	134
Winnipeg	17	15	5	39	126	129
Vancouver	12	19	8	32	121	139

MONDAY'S RESULT

Los Angeles		1	2	4—7
Washington		1	3	2—6

Robinson (5), Nicholls (27), Kudelski (11), Ellis 2 (2), Gratzky 2 (21); Kypreos (5), Joyce (5), Ciccarelli 2 (19); Stasts on goal: Los Angeles (on Becourre) 14-12-9—35; Washington (on Peeters) 12-13-8—33.

BASKETBALL

NBA Standings

	W	L	Pct	GB
EASTERN CONFERENCE				
Atlantic Division				
New York	20	7	.741	—
Boston	17	11	.607	3½
Philadelphia	15	13	.536	5½
Washington	12	16	.429	8½
New Jersey	8	20	.286	12½
Miami	7	22	.233	14½
Central Division				
Chicago	19	9	.679	—
Indiana	19	9	.679	—
Detroit	18	11	.621	1½
Atlanta	16	11	.593	2½
Milwaukee	15	13	.536	4
Cleveland	11	16	.407	7½
Orlando	9	20	.310	10½
WESTERN CONFERENCE				
Midwest Division				
San Antonio	19	7	.731	—
Utah	19	9	.679	1
Denver	19	10	.655	1½
Dallas	15	13	.536	5
Houston	12	18	.400	9
Charlotte	6	20	.231	13
Minnesota	6	23	.207	14½
Pacific Division				
L.A. Lakers	21	6	.778	—
Portland	19	10	.655	3
Seattle	13	13	.500	7½
Phoenix	12	13	.480	8
L.A. Clippers	10	16	.385	10½
Golden State	10	17	.370	11
Sacramento	7	20	.259	14

No Games Monday

NBA Leaders

Through Dec. 31

TEAM OFFENSE

	G	Pts.	Avg
Denver	29	3388	116.8
Phoenix	28	3309	122.4
New York	27	3033	112.3
Golden St.	27	3017	111.7
Portland	29	3253	112.8
Atlanta	27	2979	110.3
Seattle	26	2863	110.1
Chicago	28	3051	109.0
Orlando	29	3151	108.7
Indianapolis	28	3019	107.8
L.A. Lakers	27	2896	107.3
Boston	28	2984	106.6
San Antonio	26	2755	106.0
Philadelphia	28	2956	105.6
Utah	28	2956	105.6
Milwaukee	28	2932	104.7
Washington	28	2931	104.7
L.A. Clippers	26	2700	103.8
Houston	30	3099	103.3
Sacramento	27	2778	102.9
Detroit	29	2940	101.4
Dallas	28	2837	101.3
Cleveland	27	2644	98.7
Miami	30	2908	96.9
Charlotte	26	2513	96.7
Minnesota	29	2784	96.0
New Jersey	28	2652	94.8
TEAM DEFENSE			
	G	Pts.	Avg
Detroit	29	2814	97.0
L.A. Lakers	27	2706	100.2
Dallas	28	2819	100.7
Utah	28	2829	101.0
Minnesota	29	2944	101.5
San Antonio	26	2644	101.7
New Jersey	28	2856	102.0
Cleveland	27	2778	102.9
Philadelphia	28	2884	103.0
Boston	28	2894	103.4
Houston	30	3113	103.8
L.A. Clippers	26	2716	104.5
Milwaukee	28	2936	104.9
Washington	28	2941	105.0
Charlotte	26	2729	105.3
Chicago	28	2953	105.5
New York	27	2862	106.0
Seattle	26	2766	106.4
Indianapolis	28	2984	106.6
Portland	29	3112	107.3
Phoenix	25	2684	107.4
Miami	30	3233	107.8
Atlanta	27	2929	108.5
Sacramento	27	2954	109.4
Denver	29	3229	111.4
Orlando	29	3229	114.8
Golden St.	27	3129	115.9

INDIVIDUAL

Scoring

	G	FG	FT	Pts	Avg
Jordan, Chi.	28	337	208	912	32.6
Malone, Utah	28	298	227	828	29.6
Ewing, N.Y.	27	297	169	763	28.3
Mullin, G.S.	27	260	170	720	26.7
Wilkins, Atl.	27	267	134	695	25.7
Chambers, Phoe.	25	220	157	621	24.8
Drexler, Port.	24	232	100	578	23.8
Barkley, Phil.	26	219	176	617	23.7
Bird, Bos.	28	259	122	658	22.5
Ellis, Sea.	26	234	102	611	23.5

Field Goal Percentage

	FG	FGA	Pct
West, Phoe.	99	157	.631
Barkley, Phil.	219	360	.608
Parish, Bos.	185	313	.591
Malone, Utah	298	520	.573
Grant, Chi.	166	294	.565

Rebounding

	G	OffDef	Tot	Ave
Olajuwon, Hou.	30	101 282	383	12.8
Robinson, S.A.	26	102 216	318	12.2
Oakley, N.Y.	24	102 187	289	12.0
Malone, Utah	28	76 240	316	11.3
Cage, Sea.	26	104 178	282	10.8

Assists

	G	No.	Ave.
Stockton, Utah	26	374	14.4
Johnson, LAL	27	304	11.3
K.Johnson, Phoe.	17	185	10.9
Bogues, Char.	26	273	10.5
Grant, LAC	26	263	10.1

FOOTBALL

College Bowl Roundup

Saturday, Dec. 16

Independence Bowl, at Shreveport, La.
Oregon 27, Tulsa 24
Each team will receive $600,000.

Aloha Bowl, at Honolulu
Michigan St. 33, Hawaii 13
Each team will receive $600,000.

Thursday, Dec. 28

All American Bowl, at Birmingham, Ala.
Texas Tech 49, Duke 21
Each team will receive $600,000.

Liberty Bowl, at Memphis, Tenn.
Mississippi 42, Air Force 29
Each team will receive $1 million.

Friday, Dec. 29

Holiday Bowl, at San Diego
Penn St. 50, Brigham Young 39
Each team will receive $1 million.

Saturday, Dec. 30

John Hancock Bowl, at El Paso, Texas
Pittsburgh 31, Texas A&M 28
Each team will receive $900,000.

Freedom Bowl, at Anaheim, Calif.
Washington 34, Florida 7
Each team will receive $800,000.

Peach Bowl, at Atlanta
Syracuse 19, Georgia 18
Each team will receive $800,000

Gator Bowl, at Jacksonville, Fla.
Clemson 27, West Virginia 7
Each team will receive $1.1 million.

Sunday, Dec. 31

Copper Bowl, at Tucson, Ariz.
Arizona 17, North Carolina St. 10
Each team will receive $500,000

Monday, Jan. 1

Hall of Fame Bowl, at Tampa, Fla.
Auburn 31, Ohio St. 14
Each team will receive $1 million.

Citrus Bowl, at Orlando, Fla.
Illinois 31, Virginia 21
Each team will receive $1.2 million.

Cotton Bowl, At Dallas
Tennessee 31, Arkansas 27
Each team will receive $3 million.

Fiesta Bowl, at Tempe, Ariz.
Florida St. 41, Nebraska 17
Each team will receive $3 million.

Rose Bowl, at Pasadena, Calif.
Southern Cal 17, Michigan 10
Big Ten and Pac 10 will receive $5.5 million.

Orange Bowl, at Miami
Notre Dame 21, Colorado 6
Each team will receive $4.1 million.

Sugar Bowl, at New Orleans
Miami, Fla. 33, Alabama 25
Each team will receive $3.7 million.

BRIEFS

HOCKEY

National Hockey League

N.Y. RANGERS—Recalled Mike Richter, goaltender, from Flint, International Hockey League.

ST. LOUIS—Activated Curtis Joseph, goaltender. Sent Pat Jablonski, goaltender, to Peoria, IHL.

OBSERVER

Starting From Zero

By Russell Baker
New York Times Service

NEW YORK — For the longest time people didn't know it had been the longest time because they had no sense of time whatever. When you said, "I'll be back in a minute," they hadn't a notion what you were talking about. They didn't even know how long it would be until the mastodons came back to Capistrano.

Ignorance of time kept development at a standstill. You couldn't set deadlines for the completion of the most asinine tasks because nobody knew what a deadline was. People couldn't engage in the rat race. There were no stopwatches to tell if they'd won. For the same reason thousands of years passed without anybody setting a new world record for the mile.

This eliminated the need to take steroids, but it also caused great deprivation. With no clock to tell that there were only two minutes to play, the people were denied football. This made Sunday afternoons seem endless for the men, though they didn't know it was the endlessness of the ordinary Sunday as they sat around the fire listening to their whiskers grow.

□

Then one day, a great discovery: time! Some primitive Columbus discovered the minute. Someone else discovered it contained 60 seconds. This led to politics.

Several people calling themselves "Plain Talkers" said referring to the minute's components as "seconds" was dumb. They demanded the new unit be called "firsts." Thus was born the first political slogan: "Call a spade a spade and a second a first." This led to the first political deal. The bloc supporting the second agreed to call a manually operated earth-moving system a spade if the Plain Talkers would drop their campaign to call a second a first.

Civilization romped on, and the hour was invented, then the week, then the month. People were still unsatisfied, though. They said the month didn't encourage eloquence. Their leader complained that he couldn't orate magnificently with a system that forced him to say lines like, "One thousand and forty-four months ago our fathers brought forth around this campfire . . ."

It can be justly said that the year was born of oratorical necessity. The leader was ecstatic when they brought him the year. Now he could say, "Four score and seven years ago our fathers . . ."

Immediately a great dispute arose about what number to give the year everybody was inhabiting when it was invented. The party that had won the fight to call the second a second now declared that this precedent required the year of the year's birth to be numbered 2. The Plain Talkers said nonsense. Since it was the first year people had ever occupied it should obviously be assigned the number 1.

□

It was the leader who scotched this. Thanks to the year, he said, he was about to enjoy tremendous public love and support for the charm he could pack into a sound bite with "Four score and seven years ago . . ." He pointed out to the Committee on the Enumeration of the Year that if the present year was designated 1, next year he would have to change his line to "Four score and eight years ago our fathers . . ." This would make the people think he had a tin ear.

But then, someone noted, consistency would force him to change his great line to "Four score and six years ago our fathers . . ."

The leader said he was not talking consistency, he was talking eloquence. Because the old man was cranky and dangerous to argue with, the committee hailed his ingenuity and declared that the first year was the year zero, written "0."

Of course the people were furious. They felt silly dating checks, say, "January 15, 0." Expectant mothers said their babies would grow up feeling like nobodies after learning they'd been born in 0.

The year zero was saved by do-gooders, eager to bless future generations. If the first year was 1, they noted, the next decade would not begin until the year 11.

In the far future as inconceivable as the year 1990 A.D., people half mad with the need to escape their old decade would have to wait until 1991 to enjoy the delusion that calendars could make things better.

In that dim age people were kinder and gentler toward posterity, so they agreed that the first year would be 0, all 365 days of it.

Their kindness enabled us to defy arithmetic: Monday and enter a new decade.

New York Times Service

Tom Stoppard: 'Tonal Debris'

By Mel Gussow
New York Times Service

Is Stoppard speaking through Martello, who planned to make a sculpture of a wooden man with a real leg . or through Donner, who created edible art?

NEW YORK — Before Tom Stoppard became a playwright, he worked as a drama critic on daily newspapers in Bristol, England, an occupation for which he felt singularly misfitted, and one from which he may not have fully recovered.

Once, in conversation, he described his method of criticism: "I operated on the assumption that there was an absolute scale of values against which art could be measured. I didn't trust my own subjective responses. And I never had the moral character to pan a friend. I'll rephrase that. I had the moral character never to pan a friend."

Despite his retirement from journalism, Stoppard did not give up criticism. Instead he has channeled his reviews into his plays, commenting with alacrity and punditry on the state of various arts and on the creative act itself. As a playwright, he has proven himself to be a polymathic critic. (His first theatrical success, "Rosencrantz and Guildenstern Are Dead," is itself a criticism of Shakespeare for what he left out of "Hamlet").

In "Every Good Boy Deserves Favor," in which a madman has a symphony orchestra in his mind, the author tangentially mixes music criticism with politics, pondering the difference between dissidence and dissonance: in other plays like "Travesties," "After Magritte" and "Artist Descending a Staircase," a 1972 radio play, he has expressed himself on literature and the visual arts.

In his covert criticism, he employs a diverse arsenal of weaponry — the acerbic retort, the reverse wallop and definition by bizarre illustration, all of which are exemplified by the statement: "Without art, man was a coffee-mill; but with art, man is a coffee-mill! That is the message of Dada."

There is only one characteristically Stoppardian problem. It is not often clear which side of the fence he is standing on. He has always taken pride in his ability to refute himself endlessly, a practice especially well suited to dialogue. His interest is less in offering a judgment than in making light of other people's pretensions.

Because of his conservatism in politics, one might expect him to toe a Tory line in matters of art. But he remains unclassifiable, attacking modern art at the same time he is defending freedom of artistic expression. Although he dismisses all schools that are neo-anything or post-anything else, he readily finds an ally in an innovator like James Joyce (a main character in "Travesties") or Samuel Beckett (whose work influenced "Rosencrantz and Guildenstern").

While savoring the disputatious and definitions in "Artist Descending a Staircase," one searches for the playwright's voice. Is Stoppard speaking through Beauchamp, the composer who has turned found sounds into recorded rubbish (or as he prefers to call it, "tonal debris"); through Martello, who once planned to make a sculpture of a wooden man with a real leg; or through Donner, who in his sugar cubist period created edible art?

Playwright Stoppard: Is man a Dada coffee-mill?

The answer is Donner, the former modernist who has regressed — or progressed — to traditionalism. Before Donner descends that unseen staircase and de-escalates to his reward, he declares that "imagination without skill gives us modern art."

Though that statement should send shudders through generations of artists and art appreciators, it is the purest representation of Stoppardism — at least until his next contradiction.

In "Artist Descending a Staircase," he invents a quotation and attributes it to Marcel Duchamp: One way to become an artist is "to make art mean the things you do." The playwright liked that line so much that two years later he rephrased it and attributed it to Tristan Tzara in "Travesties."

The difficulty in determining the opinions espoused by the playwright is heightened by the fact that his characters are constantly changing, especially so in the case of "Artist Descending a Staircase," which moves backward 50 years and then forward through several artistic periods. Aging defeats consistency.

The conflict between Tzara and Henry Carr, the protagonist of "Travesties" (now in repertory at the Jean Cocteau Theater) expands upon the conflict between Beauchamp and Donner in "Artist." Both Beauchamp and Tzara are unreconstructed anti-artists. In contrast, Carr is an elitist who is so committed to art that he believes wars are fought to ensure its survival.

Ever the equilibrist, Stoppard gives both sides equal time and equal wit.

In "Travesties," it is a third character, his version of James Joyce, who probably comes closest to speaking for the playwright. Joyce considers the artist to be a magician who can transform history into myth. Then, to confirm his wizardly role, the novelist pulls a rabbit out of his hat.

In common with this character, Stoppard remains the entertainer, ridiculing pomposity and treating himself less seriously than others do. Even as plays like "The Real Thing" (and the television play "Professional Foul") have taken a more definite and judgmental position on questions of politics and society, often representing his own role as an activist for human rights, Stoppard still seems to regard criticism as an eternal balancing act.

Looking back at his plays, one can find only one indisputable case of a single-minded Stoppard in regard to the arts, and that is in his comedy "The Real Inspector Hound." In that play, two callow theater critics write their reviews before they have seen the play. The younger man marvels at the fact that his older colleague has had a notice reproduced in its entirety on a theater marquee — and then delivers a rave review of that review.

Slyboots that he is, Stoppard reserves his most cutting — and his most unequivocal — criticism for drama critics.

PEOPLE

Some Wagers for 1990

The onset of the 1990s has brought some of the crazier British gamblers out of the woodwork. The bookmaking firm of William Hill says it has given odds on some bizarre bets. A woman called Christine bet £1 ($1.60) at 10,000-to-1 that the Duchess of York will give birth to twins and call them Kylie and Jason, after the Australian pop stars Kylie Minogue and Jason Donovan. A 45-year-old filmmaker called Ian Young backed himself to win the Wimbledon tennis mens' singles event this year. The bookies put that at 50,000 to 1. But it's only 500 to 1 that the British government will recognize the existence of Unidentified Flying Objects this year. Simon Carreck of London has laid £100 with Hill's and is sitting back and waiting for a Close Encounter of the Financial Kind. Alan Cokayne of Derbyshire was confident enough to put down £10, at 10,000 to 1, on the chance that President George Bush would announce this year his encounter with an alien from another plant.

□

Zsa Zsa Gabor, who had predicted an outpouring of love and enthusiasm for her appearance in the Tournament of Roses Parade in Pasadena, California, appeared startled when she was greeted with numerous Bronx cheers. "Go to jail, you floozy," one spectator howled at the New Year's Day event when she rode by on her Tennessee walking horse, Silver Fox. She had expected something different. "They'll love me, you'll be surprised," Gabor had said earlier. "I got 10,000 cards from people who said I was right." The 72-year-old actress was convicted last year and sentenced to three days in jail, fined and ordered to perform community service for slapping a Beverly Hills policeman who stopped her Rolls-Royce. She is appealing the decision.

□

The extended first family of the United States has been extended a little further. Barbara Bush announced that she and the president are the grandparents of a 12th child. Their son Marvin Bush and his wife, Margaret, have adopted a second child, who will be named Charles Walker Bush. The baby was born in Texas in November. The younger Bushes' other child, Marshall, 3, also is adopted. . . . That was nothing compared to the experience of Ron Thompson of Austin, Texas, who sat down for lunch on New Year's Eve as the grandfather of five. At breakfast the next day he was the grandfather of nine. When Mary, 28, went into labor Sunday, she asked Joan, 19, and in the ninth month of pregnancy, to drive her to the hospital. Mary gave birth to a son, and seven hours later Joan was hustled to the same hospital by Carol and gave birth to a son. Carol, 24, then went into labor and gave birth to twin boys just before 3 A.M.

□

Prime Minister Benazir Bhutto's second child, due this month, will be a daughter, the Karachi newspaper Dawn said Tuesday. The paper, quoting unidentified sources, said the sex had been determined by medical tests. Bhutto, 36, would be the first head of government to give birth to a child while in office. She gave birth to her first child, a son, in Karachi on Sept. 21, 1988, while campaigning in Pakistan's first free general elections in 11 years. Bhutto is married to a Pakistani businessman, Asif Ali Zardari.

□

Thousands of Britons started listening to "Lady Chatterley's Lover" as their bedtime story, complete with sexually explicit passages and four-letter words that have outraged anti-pornography campaigners. The British Broadcasting Corp. decided to go ahead with a 15-part radio adaptation of the unexpurgated version of D.H. Lawrence's novel despite efforts by the country's leading TV watchdog, Mary Whitehouse, to keep it off the air. BBC's Radio 4 preceded it with a nearly 2½-hour reconstruction of the 1960 trial at which Penguin Books was charged with obscenity but won an all-clear for the book's full publication in Britain. The BBC says an average of 250,000 listeners tune into "A Book at Bedtime." The audience is predominantly middle-class and over 50. The BBC said it is expecting protests. "Of course some people are going to be offended, but there isn't much I can do about that, except not broadcast the book," Michael Green, controller of Radio 4, was quoted as saying. "I think it is much too important an event in English literature to go on being overlooked. As for the offending words — well, you can hear them on television most nights."

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LONDON, FEBRUARY 22 - 23, 1990.

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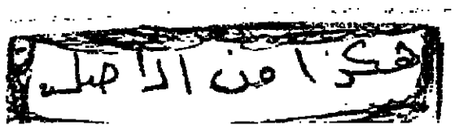

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No. 33,236 1/90

A Cold Q
For Romania
Does Democr

By Alan Cowell
New York Times Service

BUCHAREST — In Palace Square, where the worst of the fighting had taken place, the people came slowly across the cobblestones, huddled against the cold, as if a long hibernation had just ended.

They brought small children and stopped by small shrines of candles and poems on the side

Nascent Romanian political parties urge a delay of national elections planned for April. Page 2.

...ell, where their martyrs had fallen.

They gazed at the scars of gunfire and took photographs as if to prove that it had all really happened, that they had been there in those heady times when Nicolae Ceausescu was overthrown.

And then, liberty captured on celluloid, they turned in conversation to questions with a reporter to the question that has haunted many since the most bloody of Eastern European's anti-Communist revolutions: Where do we go from here?

"We do not know what to do with our freedom," said Nicoleta Ionkar, 31, an artist who was in Palace Square during the disaster that engulfed Mr. Ceausescu on Dec. 21.

"After all these years," said Gabriel Georgescu, an agriculturist, "we do not know how democracy works."

How will a political opposition ... when desks and typewriters and funds and telephones are ... ance? And how will people emerge from the mental shadow of a regime that denied free thought and taught dependence on the big brother of Communism ... ake for every benediction?

There is debate too about the representativeness of the National Salvation Committee that took over from Mr. Ceausescu and ... dismissed the revolution, promising democracy, but is backed by

Coup Ha
Reuters

LONDON — The Soviet Union tacitly agreed to support the overthrow of President Nicolae Ceausescu weeks before the Romanian leader was toppled, a leading member of the ruling National Salvation Committee said Wednesday.

Silviu Brucan, a member of the committee's executive board, said in Britain's Channel Four television that he won a reluctant promise of support from senior Soviet officials during a visit to Moscow in November.

Mr. Brucan described the revolution as a spontaneous "mass explosion" without a political leadership. He said committee leaders

Risk
East Germans In Protest Rally

BERLIN (Reuters) — More than 150,000 East Germans attended an anti-fascist rally on Wednesday to protest increased neo-Nazi attacks on monuments and graves in the past week, the press agency ADN said.

The crowd brought candles, flags and banners to the gathering at East Berlin's Soviet war memorial, which was ... and smeared with extremist ... graffiti a week ago.

The Communist Party leader, Gregor Gysi, told the rally, "Right-wing extremists pose a ... danger for East Germany ... action we must stamp out to ... avoid threatening our path to ... democracy."

General News
High winds were pushing a huge oil spill toward the Moroccan coast. Page 5.

Science
The dangers of Draconian weight-loss programs in Belgium. Page 7.

Business / Finance
Stock prices soared around the world, buoyed by Wall Street's strength. Page 9.

North Sea oil prices reached a ... year record. Page 9.

Crossword Page 7.

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